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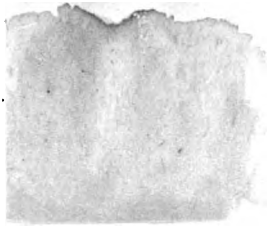

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TIME LIMIT

AND

LOCAL OPTION

CHARLES ROBERTS.

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TIME LIMIT AND LOCAL OPTION.

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TIME LIMIT AND LOCAL OPTION.

A RE-STATEMENT OF A LICENSING CONTROVERSY.

BY

CHARLES ROBERTS, M.P.

LONDON:
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1908

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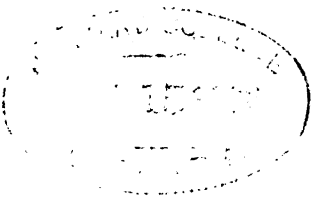

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PREFACE.

THE following pages make no attempt to deal with all the points of Temperance Reform, which should be included in a "comprehensive" handling of the subject. They omit reference to many subjects on which legislation is urgently needed and desired.

It has seemed best to concentrate on a matter of central importance; for it is essential to secure in the present struggle over the Licensing question the enactment of Local Option, to be operative immediately in the case of grants of new licenses, and in the case of existing licenses at the close of a short time-limit. It is hoped that an endeavour to present a reasoned statement of some of the arguments and facts bearing on this point may be of some use in the present discussions.

Some review has also been given of the Reduction movement of the last few years in England and Wales, together with a survey of the Licensing Act of 1904 in its operation. These are necessary to lead up to the consideration of the next great step onward in Temperance Reform. There can be no final settlement without popular control of the licensing system; and that partly because the operation of the popular vote has a powerful though indirect influence upon the conduct of the trade as a whole, and partly because it is necessary to secure with the least possible delay at any rate a partition of territory between a reformed licensing system and that system of No-license which has been

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widely adopted in other parts of the British Empire and in the United States.

During 1907 several publications were issued in defence of the liquor trade, including a volume by Mr. E. A. Pratt on the "Licensed Trade," which puts the case of the liquor-sellers; two pamphlets, called a "Plea for Patience" and "Time Limit," published by the National Trade Defence Association; and a pamphlet called the "Case for the Trade," being a memorandum of the Central Board of the Licensed Victuallers' Protection Society. I have referred to these publications constantly in the following pages, having found them to be of use as a statement of the case on the other side.

I should add that while I believe that the views set forth in the following pages would meet with the approval of Temperance reformers, no one but myself is committed to any of the opinions here expressed.

CHARLES ROBERTS.

22nd February, 1908.

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TIME LIMIT AND LOCAL OPTION.

INTRODUCTORY.

LAW AND TEMPERANCE REFORM.

It may be well to glance at the outset at some of the instances where the action of the State has led to a marked diminution or to an increase of intemperance. It is continually reiterated that we should look, not to State action, but mainly to the influences of education or to better housing or to the slow forces which may be at work for the general improvement of society. "You cannot make people sober by Act of Parliament!" It is, perhaps, enough answer to a shallow utterance to say that there seems to be no difficulty in constructing Acts of Parliament which make the people drunken; or to quote again the words of Lord Randolph Churchill:—

> It is alleged that you cannot make people sober by Act of Parliament. You cannot, it is true. But I will tell you what you can do: you can give the people by Act of Parliament the power to make themselves sober.

A more serious reply is that the very existence of a licensing system presupposes that the State is not so impotent after all. Hardly anyone now believes in free trade in drink. Who would seriously dare to sweep away the police regulations and licensing restrictions that repress and check intemperance? Yet the Licensing Act of 1872 was, according to its title, an Act "for the better prevention of drunkenness." If all the Licensing Acts were repealed,

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does anyone doubt that there would be more drunkenness than at present? Is it not clear that to some extent people are kept sober by the existing Acts of Parliament? Greatly defective as those Acts may be, there would be more intemperance without them. Why, however, should anyone hesitate to admit that Acts of Parliament have power to modify the characters of men and women? If any one doubts, he might study some dark pages in the abuses of the old Poor Law system. Who would deny that changes in the franchise, in the land-system, or in the law of marriage relations, do not leave their influence, none the less powerful because it is indirect, deeply marked on the lives of the members of the community? It is an elementary case of the influence of environment upon character. The State operates on the conditions that foster drunkenness or encourage temperance. The alteration in the environment which the mere despised Act of Parliament has power to ordain may enable stronger characters to grow in a better atmosphere. It is a strange doctrine, which to some schools of political thought would be utterly meaningless and absurd, that Law has nothing to do with human character. At bottom and in the final resort, what else is Law there for?

But the appeal is doubtless to the facts. Apart from the academics of the question, a practical point remains. Parliament is asked amid the press of conflicting claims to devote its time to the Licensing Problem as "the very first" question of the year. An appeal is made to a great party to face opposition resolutely and to devote its strength to the task of dealing "firmly, thoroughly, and once for all" with the greatest of social evils. It may seem incumbent on us then to show that the effort is not merely worth making, but likely to be successful. Parliament, in truth, has no reason to doubt the efficacy of its own powers. Our own comparatively recent history shows clearly enough that the State has it in its own hands to promote temperance, or, for that matter, to encourage drunkenness. By wise and courageous legislation it can achieve marked and

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visible improvement, just as by ill-advised, if well-intentioned action, it can demoralise the nation. In our own country the State has succeeded in achieving both these results at different periods of time.

It is not, of course, contended in the pages that follow that State action is the sole and only cause which may effect the decrease or increase of drinking and drunkenness. The fact of the plurality of causes is the standing difficulty of research in licensing, and most other social, problems. But it may be submitted with some confidence that the two main causes affecting the consumption of intoxicating liquor, with the consequent evils, are, first, administrative or legislative action of the State, backed by public opinion, and, secondly, the purchasing power of the people. It is not, of course, necessary to lay any stress on the second of these two causes. Everyone knows how in times of booming trade, such as in the years 1874 or 1899, the liquor bill of the country soars upwards. The fact has, however, often to be allowed for in watching the results of legislative remedies. The two causes are really only two aspects of one fact. The evils of alcoholism mainly depend on the supply of effectual facilities for the drinking of alcoholic liquor.

RESTRICTION IN THE 18th CENTURY.

Let us look first at an almost forgotten effort at reformation which was made towards the close of the 18th century, and which was not long ago unearthed by the researches of Mr. and Mrs. Sidney Webb into the subject of Local Government in England. At the instance of societies for the Reformation of Manners, which at that date received the patronage of George the Third and his Court, a movement arose for the regulation and local suppression of the liquor trade. It represented an effort on the part of the governing and religious classes to reform the manners of what they would have called "the lower orders," and it had some Puritanical and patronising features, which were certainly open to criticism. In this it was markedly unlike

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the temperance movement of the 19th century, which was essentially democratic and popular in origin. It received a strong impetus from the exertions of Wilberforce, who induced the Privy Council in 1787 to issue a Proclamation and the Home Secretary to write to the Lord-Lieutenants, urging them to incite the justices to take active steps against depravity, dissipation, and disorderly practices generally. Quickened by this pressure, the justices all over the country took measures for the suppression of unnecessary licenses, or for the imposition of such conditions as would regulate the conduct of the trade. Mr. and Mrs. Webb claim the transaction as "the most remarkable episode in the whole history of public-house licensing in England, the sudden and almost universal adoption by county and borough benches of a policy of restriction and regulation." They show that the number of publicans' spirit licenses dropped from 37,172 in 1779 to about 30,000 in 1799, and there was a further reduction in the number of those alehouses which had no spirit license; the latter amounted to 48,000 in 1810, but no accurate statistics exist for this class of house, though the local newspapers of the time show that a reduction must have been general throughout the country. The diminution of numbers must have been all the more noteworthy, as the population was increasing by leaps and bounds at the time.

As to the effect of this movement of restriction, initiated at the instigation of the State, and carried through by the justices as the State's local agents, Mr. and Mrs. Sidney Webb write as follows:—

> Owing to the amount of private brewing and the illicit distillation and smuggling of spirits, no trustworthy statistics can be given as to the total consumption. There is, however, a certain amount of testimony that the average consumption of alcoholic drinks diminished during this period, a diminution which the authorities declare to have taken place among the "lower orders." And it is interesting to record that our own researches into the history of crime for this same period, concluded prior to our discovery of this movement for the regulation and restriction of the sale of alcoholic drinks, had already caused us to note what we termed a "lull" in crime and rioting, licentious living, disorderly conduct, and brutal amusements between 1790 and 1810. We entertain no doubt that, compared with the immediately preceding period, there was in

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England, during these years, a marked diminution of overt acts of crime and disorder. We had suggested that this might possibly have been due to the absorption of disorderly characters in the army and navy during the years of war, and to the great regularity of life introduced by the factory system. Both these circumstances, and others that might be cited, seem to us to afford an inadequate explanation. Any good effects they may have had were probably more than counterbalanced by the demoralisation of large sections of the population by the worst features of the old Poor Law, which became prevalent in 1795, and by the terrible stringency of the famines and high prices of these very years. Our subsequent discovery of the regulation and restriction of the sale of alcoholic drinks carried out by the Justices from 1786—87, and lasting, as we infer, in many parts of the country for a whole generation, appears to us to throw new light on the subject. We think that any impartial student of the contemporary records will be driven to the inference that the limitation of the opportunities for disorderly drinking between 1787 and 1825 outside the Metropolis was at any rate an important contributory cause of the remarkable advance in "respectability" made by the English working-man during the first two decades of the nineteenth century.*

FREE SALE FROM 1830—1870.

The second episode in our recent licensing history, to which attention can be well directed, illustrates, by way of contrast, the disastrous influence of a well-intentioned but misguided blunder by the State. The justices' experiment in regulation and suppression at the end of the 18th century came, unfortunately, before the rise of the Temperance party; it did not rest on the support of a movement springing from the people themselves, and it died away, as reform movements are apt to do in war time, in the distractions and excitements of the Napoleonic struggle. It had produced, however, a restriction of the number of public houses, and a consequent growth in their monopoly value. It provoked, as a bye-product, the beginning of the tied house system, and, from 1816 onwards, it led to a great outburst of impatience on the part of Radicals and the growing school of Free Traders against what was represented as the arbitrary and repressive interference of an unrepresentative body such as the county justices. The legislative result was finally seen in the practical crippling of the powers of the local justices by the establishment of

* "The History of Liquor Licensing in England, from 1700—1830" (pp. 82—84).

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the appeal to Quarter Sessions against the refusal of a license, under the Act of 1828; by the repeal in 1830 of the old beer duty of 9*s.* to 10*s.* per barrel, which, with the malt tax, made the average taxation on beer 13*s.* 8*d.* per barrel at that date, as against 7*s.* 9*d.* per barrel to-day; and by throwing open the retail sale of beer and cider under the Beerhouse legislation of 1830. Mr. Sidney Webb declares that "the decision to allow free trade in beer, momentous, as we shall see, in its consequences, may indeed be cited as the leading case of legislation based on abstract theory—on axioms deduced from first principles—without investigation of previous experiment, without inquiry into the existing facts." The present generation is in danger of similarly falling a victim, under the influence of the prevalent Socialistic theories, to the superficial plausibilities of municipalisation or disinterested management of the traffic. This experiment in free trade in beer was tried for 40 years from 1830, until it was reversed by the legislation of 1869 to 1874, and may be said to have led up to the great national orgy of 1873—5.

It is worth study, for, in the first place, the new beer houses, under the Act of 1830, were free from the control of the justices, and were essentially possessed of the security of tenure, which Mr. Balfour proclaimed in 1903 and 1904 as the main condition for the proper conduct of the trade; secondly, it provides the answer to the revived pleas of the brewers' advocates, that we ought, according to Danish precedents, to encourage, as against the use of spirits, what they claim to be so harmless, refreshing, and indeed necessary a beverage as beer; and, thirdly, the experiment was, at least in its later years, coincident with a time of rapidly growing wealth, advancing education, and general progress in social improvement. It throws light on the amount of faith that may reasonably be placed in such general influences for amelioration, if accompanied by increased facilities for drinking.

The results of the Act of 1830 were visible immediately. Within less than six months 24,342 new beer sellers paid the excise fee of two guineas for the license, at that time

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the sole qualification for the privilege of sale, and the number rose to 45,717 in 1838. Later on, the sole precautions taken were an excise duty of three guineas, a rating and residential qualification, and the necessity of certificates for good character. The provision of additional facilities for drinking produced immediately and continuously the natural result. Sydney Smith was one of the theorists who four years before had advocated in the *Edinburgh Review* the free trade experiment in beer. "The new Beer Bill," he wrote, almost as soon as it had come into force, "has begun its operations. Everybody is drunk. Those who are not singing are sprawling. The sovereign people is in a beastly state." It appears that the people were very effectively made drunken by Act of Parliament. "Never," according to the Report of the Licensing Commission, "was an Act passed which more disastrously failed to fulfil the expectations of its authors."* The beer houses were, according to Mr. Villiers' Committee (in 1854), the "habitual haunts of the idle and abandoned, of thieves, prostitutes, and the adepts and learners of crime." The drink bill steadily rose; between 1842 and 1869 the consumption of beer is estimated to have risen 45 per cent., spirits 18 per cent., and wine 166 per head of population.† So also did the prosecutions for drunkenness. The figures for drunkenness date from 1857, and are given for the first time in the "Judicial Statistics for 1858 in England and Wales." They are as follows:—

PROSECUTIONS FOR DRUNKENNESS—ENGLAND AND WALES.

—	Average of Three Years.		
	1857-9.	1867-70.	1870-3.
Total prosecutions	83,744	121,881	158,789
Per 100,000 of population	429	556	688

* Licensing Commission, Final Report, p. 85.
† Appendix in Report of Licensing Commission, p. 362.

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After 1872—3 the effect of the Licensing Act of 1872 has to be remembered and allowed for. These figures give but a slight indication, of course, of the total amount of drunkenness. Administration was very lax, but they confirm the evidence of an increase of State-caused drinking and drunkenness. Yet, beyond question, during these years the forces that we are told to rely upon exclusively for social improvement were at work. There was a vast growth of wealth, and between 1860 and 1874 the foreign trade of the country increased 70 per cent. There was educational progress; in 30 years before 1874 the number of those who in every 1,000 marriages signed the marriage register with a mark was more than halved. There were sanitary improvements, factory acts, and the rise of municipal government; there was a marked fall in pauperism during the period. But these signs of progress do not seem of much avail against the increase of drinking facilities. The Committee of the House of Lords on the Beer Acts reported in 1850 as follows:—

> It was already sufficiently notorious that drunkenness is the main cause of crime, disorder and distress in England; and it appears that the multiplication of houses for the consumption of intoxicating liquors, which under the Beer Act has risen from 88,930 to 123,396, has been thus in itself an evil of the first magnitude. Coincident with this increase in the facilities for intoxication, it appears that crime has increased in a frightful ratio, the commitments for trial in England and Wales in the years 1848—9 being in the proportion to those of 1830—31, the two first after the enactment of the Beer Act, of 156 to 100.

As the statistics quoted above show, drinking and drunkenness increased no less rapidly between 1850 and 1875. The number of prosecutions for drunkenness rose from 75,859 in 1857 to 203,989 in 1875. The number of indictable offences disposed of was 24,303 in 1845, and 49,996 in 1875 (Judicial Statistics, 1893, p. 111).

Between 1860 and 1876 the population rose 19 per cent., but

Crimes against the person	rose	47 per cent
Breaches of the peace and want of sureties .	„	140 „
Deserting or neglecting to support a family	„	91 „

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Begging	rose	29	per cent.
Having no visible means of subsistence ...	„	81	„
Malicious damage to property, etc.	„	55	„

What was the good of the growth in wealth and the spread of knowledge and the improvement of society as tested by these figures? There is evidence that the great growth in wealth sprung from Free Trade since the fifties of the last century led to little but national demoralisation, while the expansion of drinking facilities continued. The forces that made for the general improvement of society seem counteracted and powerless before the increased consumption of intoxicating liquors, which the State had first encouraged and then tolerated too long.

THE EFFECT OF RESTRICTION SINCE 1870.

To some extent, however, the malady worked out some sort of approximation to a remedy. The rise of the temperance party, and the formation of the United Kingdom Alliance in 1853, advocating the suppression of the liquor traffic, slowly altered the current of public opinion. There was a new see-saw in the direction of restriction. England slowly swung away from the ideal of free trade in drink to a renewed policy of control by the licensing benches. The legislation of 1869 and 1872 was a real turning-point in our history. It placed the beer houses under the partial control of the justices and tightened up the licensing system. The increase of the number of public houses was arrested. The licensing benches have often been attacked for their supposed recklessness in the grant of promiscuous licenses. They cannot be justly blamed for the wanton increase which took place during the experiment of Free Sale. They can only be fairly charged with too lax a facility in renewing what they did not originally grant, or with the failure to adjust the number of licenses to subsequent changes in population. The worst result of the experiment of Free Sale was that it gave rise to a false view that there was a prescriptive right to renewal—a generation grew up which had forgotten the old legal powers over the

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publican's license which existed in 1830 and had never been taken away by legislation. But before 1869 the justices often pressed a full license upon a beerhouse-keeper so as to have some partial control over the conduct of the house. It was at all events no use to refuse a license over which control existed, when an uncontrolled beerhouse could at once take its place. It therefore happened that the recovery of control over the beerhouses made it possible to arrest by 1880 the increase of the number of full publicans' licenses as well. The Report of the Licensing Commission, pp. 85—87, gives the statistics of these changes in round numbers. In 1830 there were 51,482 fully licensed public-houses, of which 45,675 held also a spirit license; by 1872 these had increased to nearly 70,000, and by 1869 there had come into being nearly 50,000 on-beerhouses besides. Since 1872 the number of fully licensed houses has fallen to 67,000, and the number of on-beerhouses, on-beer-and-wine houses, and on-wine houses has fallen from 53,000 to about 35,000, in face of a large increase of population.*

(The statistics for 1830 are quoted from the Appendices to 1st Report of Commissioners of Inland Revenue, 1857; the rest are given on the authority of later Reports of Commissioners of Inland Revenue.)

Coincident with this restriction of the drinking facilities, we find in the next twenty years a marked fall both in drunkenness and crime, which is in strong contrast with the state of affairs in the preceding period. The following figures are taken from the Licensing Commission: Final Report, p. 351:—

CASES OF DRUNKENNESS PER 100,000 OF POPULATION.

1876	843	1887–1891	619
1877–1881	725	1892–1896	584
1882–1886	690		

* The actual figures are given on page 46.

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The fall in the statistics of offences tried per 100,000 of population is no less noteworthy:—

	Total Indictable Offences Tried.	Cases of Assault, Stealing and Malicious Damage.	Total Number of Persons Tried for these Offences.
1869	276	554	830
1872–1876	220	534	754
1877–1881	225	448	673
1882–1886	220	410	630
1887–1891	198	356	554
1892–1896	182	323	505

The improvement which has taken place in the last thirty years is sometimes used as a ground for holding our hands. It is, so far as it goes, an encouragement to carry a policy of restriction still further. We are still left in presence of a "gigantic evil," whose continued existence is impossible to tolerate. No one again would claim that the whole credit of this improvement could be attributed entirely to the change of licensing policy on the part of the State and the justices. That change of policy was, however, a factor in the case, and the partial arrest of a demoralising agency gave scope for the working of the forces that tend to ameliorate the condition of the people. How else are we to account for the change in the character of the evidence after the licensing legislation of the seventies? Is it not fair to attribute at least some part of the lessened intemperance of the people to the working of an Act of Parliament?

REFORM IN NORWAY.

We may supplement these illustrations of the effect of State action in our own country by reference to the experience of the Scandinavian countries and of Canada. The consumption of alcoholic liquors in Norway is well

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known to be much smaller than in the United Kingdom. For 1905 the Board of Trade puts the Norwegian consumption of beer at 3·0 imperial gallons per head, as compared with the English consumption of 27·7, and the Norwegian consumption of spirits was 0·51 imperial gallon, as against our 0·91. (Return of Alcoholic Beverages, 1905.) But in 1833 the consumption of liquor in Norway was between three and four times as high as at present. The reason of the striking decline that took place in Norway from that date is to be found partly in the influence of a strong temperance movement of moral suasion, and partly to the working of the "epoch-making law of 1845," which gave the rural districts the power to prohibit the sale of spirits, the good result being really due to the interaction of the two causes working together. We may refer to an official diagram taken from the Statistical Year Book of the Norwegian Government. The diagram, which I owe to Mr. Cameron Corbett, M.P., shows incidentally how in all the Scandinavian countries the consumption of drink fluctuates with the international waves of good trade or depression, and how the great reduction of consumption was secured by 1865, before the Samlag or company system of managing the liquor traffic, for which the credit is sometimes in error claimed, was legalised for the towns in 1871. The main features of the Norwegian system are well known. The Act of 1845, already referred to, granted an indirect form of local veto, which has left only about 15 licenses for the sale of spirits in the country districts; while this Act, together with subsequent Beer Acts, has banished the sale of all intoxicating liquors from more than half of rural Norway, such liquors in the greater part of the remaining area being obtainable only by travellers. The towns, which contain 28 per cent. of the total population, against 72 per cent. in the rural districts, are given the choice between the maintenance of the Samlags and total suppression of the retail sale of spirits, and by 1906 32 out of 58 towns had exercised the right, given to them in 1894, of suppressing their Samlags. It is this system of restrictive legisla-

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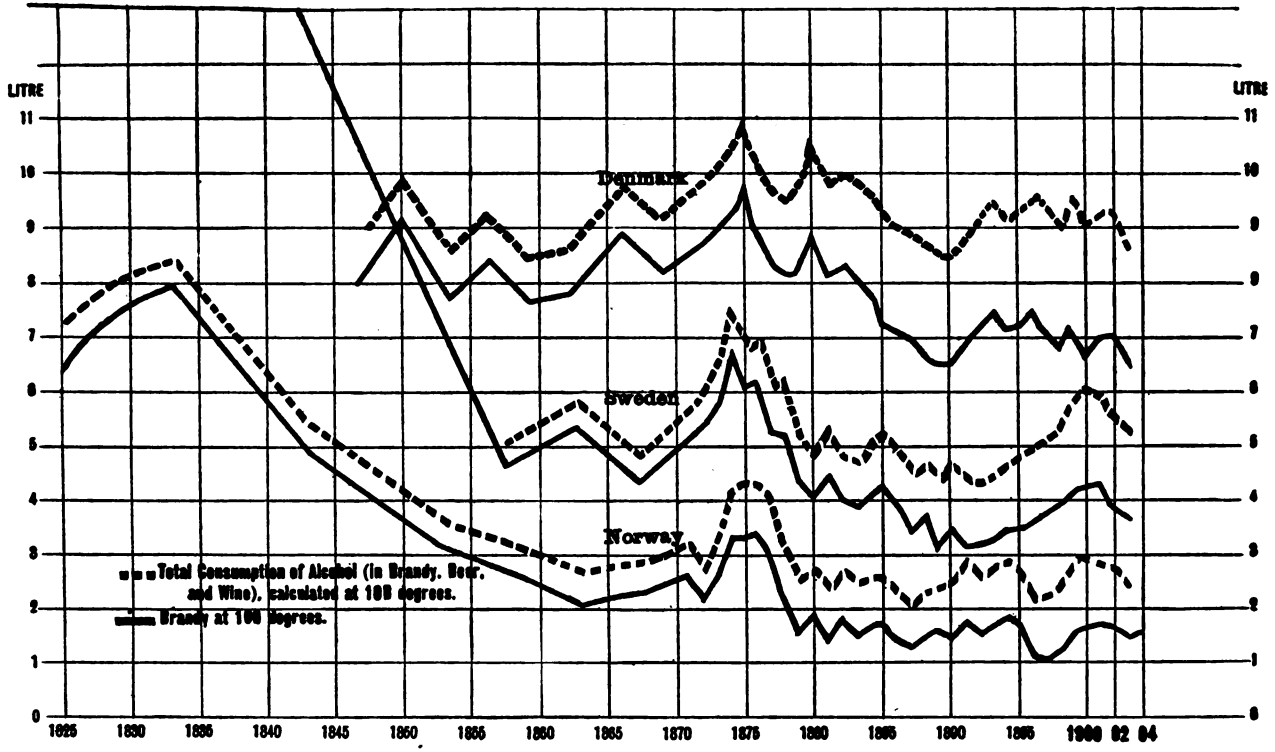

GRAPHIC ILLUSTRATION, COPIED AND TRANSLATED FROM THE NORWEGIAN GOVERNMENT STATISTICAL YEAR-BOOK FOR 1905.

Consumption of Brandy and alcohol in the Scandinavian countries in the 19th century per head in litres (a litre = 0·22 of an imperial gallon.)

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tion which explains the contrast between Norway and Denmark visible at a glance in the Diagram. In the thirties of the 19th century the consumption of alcohol in Norway was as high as in Denmark. In Denmark it has remained consistently high, and it is obvious why that country, with its lax licensing system, has been recently singled out in one of the Briefs for the Brewers as an ideal country from their standpoint. Norway, however, largely emancipated itself by its No-License system and by its policy of clearing large areas from the traffic altogether, and this has availed to keep its drink consumption on the far lower level which gives Norway an honourable place for its virtues of temperance among the countries of the world.

THE EFFECTS OF RESTRICTION IN CANADA.

Lastly, a glance at the experience of Canada may complete this survey. It is not easy to find instances where people of somewhat the same character, living under similar conditions, have made simultaneously any easily comparable experiments in a licensing policy and a policy of restriction or no-license. Where such conditions do exist, as, for instance, in the States of the American Union, there are no obtainable statistics of the relative consumption of drink in the separate States. But the Canadian Royal Commission on the Liquor Traffic did obtain some figures worth notice, though we believe that they have never been brought up to date. The Majority Report of that Commission, which did not recommend the remedy of a general prohibition law for the Dominion, procured statistics of the consumption of liquor in the Dominion as a whole and in the separate provinces, and the figures are appended for the average of the three years 1891—1893, the latest years given by the Commission. The table shows that the consumption of liquor varied with the amount of legislative restriction. At the date given by the Commission, Prince Edward Island was under the system of No-License, under the Scott Act, in every part of the province, except at Charlottetown. Nova Scotia had the system of No-License in 12

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counties out of 18; and New Brunswick in 9 counties out of 14, and in 1 city, in both cases under the Scott Act. Quebec had at that date about one-third of its local government areas, containing about a quarter of its population, without license. Ontario was then mainly under license, except for a few of its local government areas. British Columbia had at the time no power of local prohibition and the laxest licensing system of all the provinces. It will be seen that the consumption of liquor was much the highest in British Columbia, and the contrast between that province and Prince Edward Island is glaringly marked, while Nova Scotia and New Brunswick were in advance of Quebec and Ontario. The years which have passed since the date of these figures have increased the amount of local prohibition in the Dominion as a whole, and the facts as stated are as they were for the years 1891—3. But the figures go to support the view that a policy of restriction and of no-license has a marked and visible effect on the evils of alcoholism :—

CONSUMPTION OF ALCOHOLIC LIQUORS IN IMPERIAL GALLONS IN THE DOMINION OF CANADA AND SEPARATE PROVINCES—ON AVERAGE OF THREE YEARS, 1891-3.*

Area.	Population.	Spirits.		Beer.		Wine.	
		Imperial gallons.	Per head.	Imperial gallons.	Per head.	Imperial gallons.	Per head.
Dominion of Canada ...	4,890,143	3,524,831	·720	17,594,657	3·598	504,359	·103
Nova Scotia ...	451,389	196,232	·434	596,534	1·321	19,408	·042
New Brunswick	321,267	186,914	·581	345,852	1·076	11,941	·037
Prince Edward Island ...	109,098	28,121	·257	39,439	·361	1,485	·013
Quebec	1,502,181	1,389,857	·925	4,064,478	2·705	352,488	·234
Ontario	2,134,087	1,419,700	·665	11,234,154	5·264	59,588	·027
British Columbia ...	105,306	155,897	1·480	752,462	7·145	49,077	·466

* From the Canadian Royal Commission on the Liquor Traffic, Vol, V., pp. 6—24.

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It may perhaps be thought that we are over-labouring an obvious point which everyone would readily concede. But we cannot ignore the need for much more drastic remedies than are at present available. The malady of intemperance, if diminished, is still obstinately fastened on the country. The number of prosecutions for drunkenness in England and Wales during the last nine years for which the figures are published is as follows:—

Average for Three Years.	Prosecutions for Drunkenness.	Proportion per 100,000 of Population.
1897–1899...	203,357	645
1900–1902...	208,178	638
1903–1905...	225,619	669

From "Judicial Statistics, England and Wales, 1905," p. 27.

The Licensing Commission at all events had no doubt of the "national degradation" which resulted from the trade, and its chairman, its temperance reformers, and its liquor trade representatives vied with each other in recommending elaborate legislative remedies. They, at all events, had no doubt of the power of the State to secure a real and effectual diminution of these evils. Yet the evils in question are so familiar and so inveterate that there may be latent doubts as to the power of the State to effect any tangible reform. It is, of course, part of the debating case of the defenders of the trade to minimise the evil which exists, to treat it as part of the order of Nature, or at least to relegate it to that normal imperfection of society which is beyond the purview of legislation. It may have been worth while therefore to give some evidence showing that these maladies, however deep-seated, are yet amenable to control. If, as we believe, the chance of a serious diminution is within our grasp, we have no right to shuffle off responsibilities in a mood of facile but unfounded optimism, or in the equally unjustifiable spirit of impotence and despair. The remedies lie at our hands, if we have the strength and the courage to use them.

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PART I.—THE TIME LIMIT.

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PART I.—THE TIME LIMIT.

CHAPTER I.

THE ORIGIN OF THE REDUCTION MOVEMENT.

It becomes needful briefly to review the licensing history of the past few years in order to throw light on the next steps in advance. This is the more required because in the liquor trade publications there are strange gaps and omissions which place these recent events in a false light. Nothing is more remarkable than the silence of the latest documents and pamphlets of the liquor trade about the Licensing Commission and its Reports. It appears to have dropped almost entirely out of their memory. Yet the scrutiny of the methods of the liquor trade before that Commission, and still more the publication of its Reports eight years ago, strongly influenced public opinion, and still affect the handling of the problem. There was indeed no unanimous Report. Owing to the constitution of the tribunal, on which eight direct representatives of the liquor trade sat, this was beyond reasonable expectation. Nevertheless the strong pronouncement of so impartial and fair-minded a Chairman as Lord Peel carried immense weight. Three main points resulted: There was unanimous recognition of the presence of a "gigantic evil"; there was a unanimous recommendation of the need for a large and sweeping reduction in the number of public houses (Lord Peel's own scheme worked out as a reduction of from 30,000 to 40,000 houses in England and Wales within seven years); and, lastly, as contrasted with the simplicity of Local Option, two comprehensive and elaborate lists of minor measures were recommended, though Local Option was also recommended after a brief time-notice for Scotland and Wales by Lord Peel, and for the United Kingdom without restriction by a

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minority of the Commissioners, including the Archbishop of Canterbury. It requires some audacity of statement therefore to-day to declare, as the "Case for the Trade," prepared by the Central Board of the Licensed Victuallers' Association, puts it (pp. 38—39), that "There is nothing in the present state of the licensing laws calling for interference in the public interests . . . . The existing regulations have been in force since the years 1872 and 1874, and have been found perfectly efficient for the purpose for which they were intended." "The system," we are told, "should be left alone, the public interests being well protected." According to these interested pleas, or to the plea of mere vague and superficial optimism, all is for the best in the best of all possible licensing worlds. But such an attitude is impossible to maintain in face of the Report of the Committee on Physical Deterioration or of the often-quoted sentence in the Licensing Commission's Report, that in spite of all recent improvement "there remains a gigantic evil, and hardly any sacrifice would be too great which would result in a marked diminution of a national degradation." That verdict, after three years' close investigation into the conduct of the liquor trade, is all the more remarkable because it stands signed not merely by the Temperance representatives on the Commission, but both by those who claimed to be uncommitted on the question and by all the representatives of the liquor trade.

The Unionist Government of the day, however, was in no hurry to legislate, even after the General Election of 1900. The attempt is now made actually to treat Mr. Ritchie's very modest Licensing Act of 1902 as a "comprehensive" solution of the question. But this Act left untouched far the larger part of the Licensing Commission's recommendations, which are still to this day unenacted. It contained a few minor points of some value, such as the power of arrest for simple drunkenness,* in-

* The consequent increase of convictions from 1903 has to be allowed for in reading the statistics of drunkenness for England and Wales.

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creased magisterial control of structure of licensed premises, some imperfect extension of control over the so-called grocers' licenses, and a very feeble and inadequate measure for the control of clubs; while some of its reforms consisted in altering the date of the Annual Licensing Meeting in most parts of the country from September to February, and its attempt to "black list" the habitual drunkard, from which much was expected, has practically broken down and become mainly inoperative through a draftsman's flaw in the statute. The Act can only be regarded as putting on the statute-book a few of the less contentious recommendations of the Licensing Commission, to which the liquor trade did not very strongly object. It may, however, be noted that Temperance reformers of all shades of opinion (though some of them are falsely accused of obstructing the minor measures in the interests of drastic reform) joined in welcoming and supporting an Act which promised some, though a lamentably disappointing, instalment of reform.

THE REFORM MOVEMENT AMONG THE JUSTICES.

For the next step forward we must turn to the Licensing Authorities. As we have seen, from 1880 onward there was a slight fall in the number of full publicans' licenses, and a more marked fall in the number of on-beerhouses in England and Wales. The Benches had been growing more cautious in the grant of new licenses. Though some 193 on-licenses a year were granted between 1886 and 1896,* these were not enough to balance the non-renewals by the Licensing Authorities or the suppressions of licenses by landowners. There gradually rose a reform movement among the justices themselves. It came about haphazard, without any conscious design or organisation. Though the composition of the Benches naturally made them tender to vested interests, action started here and there. It is indeed impossible to take part in any court work as a magistrate without a sense that drink is at the

* Licensing Commission, Vol. V., p. 38.

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bottom of the largest part of the offences. The appearance of some Jane Cakebread, with scores or hundreds of convictions for drunkenness against her, or of some miserable and brutalised drink-victim, who has run through the long gamut of offences bred of squalor and demoralisation, brings home the conviction that we are in presence of an evil which ought to be lifted out of mere party politics. The tendency of the Superior Courts was also steadily towards an enlarged view of the magisterial powers. The *Sharp* v. *Wakefield* decision of 1891 reminded the justices of the existence of a power which imposed a corresponding responsibility; nor was the effect of the decision wholly destroyed by the cautious words of the Lord Chancellor's judgment, which every Bench has had incessantly dinned into its ears at Licensing Sessions. Then in 1897, in the case of *Boulter* v. *Kent,* the Superior Courts laid down that a "Licensing Meeting was not a Court at all." It did not exercise judicial functions, though it must preserve a judicial spirit; and the Lord Chancellor explained that his use of the word "judicial" in the *Sharp* v. *Wakefield* case meant only "opposed to capricious." The licensing justices then did not require to sit impotently waiting till an opponent set them in motion. They could use their own knowledge. They could institute inquiries and ask for reports from the police. They could use their own eyes and make personal visits to the licensed houses in their districts. They could not mulct in costs opponents to the renewal of a license. Lord Herschell spoke of them in that decision as "persons who were not occupying the positions of judges at all, but were exercising the discretionary jurisdiction as to how many public-houses they would permit in a district, or what persons should carry them on." While the Courts encouraged activity, the Chairman of the Licensing Commission levelled censure at the sluggishness of the County Benches in particular:—

> It would therefore appear that in the discharge of their administrative duties, there has been failure, whatever be the reason, on the part of the County Justices in particular, to proportion licenses to population.—*Final Report*, p. 109.

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Here and there one or other of the reforming Benches began to move. In Cheshire the magistrates inquired into the tied-house system. In Birmingham, from 1898 onwards, Mr. Arthur Chamberlain began to work out his surrender-system, which had the ingenious merit of securing an escape from the paralysing control of the County Justices in securing diminution. In Blackburn, by means of objections and surrenders, the full licenses dropped from 540 in 1893 to 480 in 1902. In Bedfordshire restrictions on facility of transfer were found to control some of the abuses of the tied house system. Elsewhere conditions were imposed for closing the back-doors of licensed premises for purposes of trade. In Liverpool child-serving was suppressed by the Licensing Authority before the passing of the Child's Messenger Act of 1901. The Benches were gradually beginning to pluck up courage to imitate their predecessors in the 18th century to secure reductions and to impose conditions on the licensed houses left behind. It is Liverpool, however, that may claim the honour of having really led the way in the Reduction Movement. From 1890 onwards a Vigilance Committee had been at work in that city, and perhaps the most striking piece of local reform that can be found in England during the last 25 years was carried through by Sir Thomas Hughes and his colleagues in a city which was once called "the black spot on the Mersey." The details of this successful piece of administration were widely noticed, and had a great effect on the minds of the justices throughout the country. They are therefore worth recording again.

In the city of Liverpool in 1890 the prosecutions for drunkenness were 14,680 in number, or 2,393 per 100,000 of population. In spite of a considerable enlargement of the city area in 1895, bringing in an additional population of 134,324 and 216 additional licenses, the prosecutions sank, till in 1899 they were 4,069 in number, or 642 per 100,000, a reduction (allowing for the increase of population) of 73 per cent. During this period of ten years 247

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licenses were brought to an end on all grounds, an average of 24 a year; and public-houses licensed for music, singing, etc., fell from 348 to 62.

The official explanation of this remarkable decrease is contained in the Judicial Statistics, the annual review of crime and criminal statistics published by the Home Office. The editor of the Judicial Statistics for 1899 wrote in his preface to the annual volume:—

> The most noticeable feature of the figures as to Liverpool is the great decrease during the last decade in offences known to the police and apprehensions. The former were 926·05 per 100,000 in 1890 and 552·50 in 1899.
>
> Still more remarkable is the decrease of prosecutions for drunkenness, which fell from 2392·97 per 100,000 in 1890 to 641·58 in 1899, a decline for which, so far as I am aware, there is no parallel.
>
> This striking decline is due, it appears from the information kindly communicated to me by the Chief Constable, to these causes:—
>
> (*a*) The decrease in licensed houses.
> (*b*) The strict supervision of licensed houses by the police, and the enforcement of the licensing laws.
> (*c*) The suppression of brothels.
> (*d*) The action of the licensing magistrates as to the conduct and management of licensed premises.

It is true that with a new Head Constable, after a new enlargement of the city in 1902, and as result of the influence of the new Licensing Act of 1902, the prosecutions have since again risen from the low-water mark of 1899 to 7,507 in 1904. The Chief Constable, in his report for 1903, states that "this increase is proof, not of increasing number of offences, but of a stricter administration of the law," and is also "owing, I am inclined to say, to the Licensing Act of 1902." The number of prosecutions is still, however, less than half what it was in 1890, when the stricter administrations by the Licensing Authority and the police began, and it must be remembered that a new wave of strictness in dealing with intemperance passed over the country in 1903.

It is now sometimes attempted to treat the reductions of the years 1903 and 1904 as though they were due to some eccentric and spasmodic action of the Benches. The years 1903 and 1904 were, it is said, "abnormal" years, to be

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treated as an exceptional aberration. The truth is that these years saw the first drops of the shower, the volume of which is bound to increase in the immediate future. There might indeed have been a general stirring of the Benches earlier had it not been for the Licensing Commission. But on the occasion of any objection to the renewal of a license the Benches were implored to hold their hand until the Commission had reported, or, when it had reported, until the Government had produced their legislation to carry out the Report. When the Report appeared, it was found that the Majority Report, signed by all the liquor representatives, declared that—

> The number of licensed houses should be largely reduced. It is generally admitted that the number of licenses in a great part of England and Wales is in excess of the requirements.

The Minority Report, signed by the Chairman of the Commission and by the then Archbishop of Canterbury and others, differed only in the added emphasis with which this same "large reduction" was called for. It said:—

> A remarkable unanimity prevails as to the excessive number of licensed premises in England and Wales. In large and small towns, in villages and country, the same story is told—licenses beyond all possible requirements, and in some places such a congestion of them as to be hardly credible upon any principle of adaptation to public wants.
>
> On a careful examination of the facts we arrive at the inevitable conclusion, which is affirmed by all competent witnesses, that the excessive number of public-houses is a factor of the first importance in the encouragement of drunkenness. No doubt can be felt as to the immediate and crying necessity for a large reduction.
>
> "The number of licensed houses," so ran the summary of the recommendations, "should be immediately and largely reduced."

THE REDUCTION OF LICENSES IN 1903 AND 1904.

Two events of the year 1902 encouraged the justices to proceed somewhat more seriously with the work of reduction. The Government's legislation had left the problem of reduction severely on one side. The Government appeared to have no plan of dealing with what was

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admitted to be a "crying necessity." But one small administrative change in the Act of 1902 was not without its effect. The Act relieved the justices from all liability for costs in any case when their decision not to renew a license was appealed against to Quarter Sessions. The way grew steadily more plain for the justices to take upon themselves the onerous duty, which the High Court encouraged them to discharge, for the neglect of which they had been censured by the Licensing Commission, and which the Government shirked and appeared to hand over to the Licensing Authorities.

The other event was the decision in the Farnham case, *R.* v. *Howard and Others,* decided in June, 1902. In the minds of many justices, as we have seen, there had grown up a sense that the law, even as it stood, left openings for administrative work which might mitigate the admitted evils of the liquor traffic. Might not the faithful and intelligent discharge of their administrative duties at least clear away the grossest of the abuses? But the path through the chaotic licensing laws was uncertain and full of pitfalls. The Farnham case cut a clear road through the jungle, in which all might safely tread. The Courts had indeed before held that a justice might object to the renewal of a license on his own initiative. But was it clear that the Benches could select an area for reduction, make their own preliminary inquiries, object *en bloc* to the renewals in that area, and select for refusal those which were not required? With great care the Farnham justices studied each step of the way. Their method of reduction was challenged by the liquor trade; but the Court of Appeal, on a careful scrutiny of the process, pronounced unhesitatingly in favour of the whole of their procedure. The Court held that the Farnham justices were "simply preparing to discharge the important duties, mainly administrative, imposed upon them by the Act of 1828." "The justices," said Lord Justice Mathew, "acted with perfect fairness . . . . they proceeded from first to last with commendable care and seem to have had no other

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motive than the desire of honourable men to discharge their duty faithfully." *The Times*, in a leading article on October 4th, 1902, wrote as follows:—

> The best hope for the future control of the drink trade is surely to be found in the exercise of the judicial temper in which the Farnham justices evidently approached their duty, and in which their mode of discharging it has been received by their colleagues on the County Bench.

The Farnham procedure, in spite of the modifications introduced by the Act of 1904, still stands, and is in essence followed by any Bench that undertakes the work of reduction. When, however, we are told (Pratt, "Licensed Trade," p. 247) that "it is certain that the magistrates did not keep within the limits in regard to their action in 1903, but assumed for the time being the *rôle* of legislators in seeking to act on lines of general policy in accordance with what in their private judgment was for the well-being of the country," the answer is simple. Mr. Pratt suppresses all mention of the Farnham case, and the Benches in 1903 were simply doing each in their own district what in 1902 the Court of Appeal had definitely in every detail sanctioned, with express commendations to the Farnham justices for having devised the procedure.

Lastly, the justices had discovered that the licenses in their districts were largely insured, and the knowledge that licenses were insured in one company alone to the sum of upwards of £60,000,000 removed the sense that hardship was likely to be done. It came out that in the case of tied houses at all events insurance could be regarded as a practical certainty; for the debenture-holders in the brewery companies which owned these tied houses insisted that licensed premises on which their debentures were secured should be protected by insurance. The vast mass of licensed premises would thus be covered by an insurance system, and the remaining 10 per cent. of free houses could make certain of their own risks being covered. Enough has been said to show that the first beginnings of a general reduction in 1903 was not due

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to a capricious, sudden, or unaccountable impulse, but was the long-delayed outcome of many influences acting on the minds of the justices. The action taken was regular, and expressly authorised by the High Court as well within the powers and functions of the Licensing Authority under the existing law.

The actual diminution accomplished in 1903 proved nothing very formidable. It seemed less at the time, as the official statistics under-estimated it. The Parliamentary Returns as to licenses refused (No. 194 of 1903 and No. 230 of 1904) are admittedly misleading. They do not include licenses dropped under surrender schemes, which were not technically refusals by the Benches, but ranked as licenses not applied for. Thus Mr. Arthur Chamberlain's well-known work in Birmingham simply does not appear in these returns. According to them Birmingham had only one refusal of a publican's license in the two years. The liquor trade estimated the number of these surrenders at 350 in 1903, apart from the refusals; and this figure probably under-estimates the number. The returns then of Licenses Refused gave 639 licenses refused in 1903, of which 159 were restored on appeal by Quarter Sessions, and 422 refused in 1904, of which 114 were restored on appeal. It is remarkable that the reduction movement persisted in 1904, when Government legislation was actually before Parliament—a strong indication of the necessity felt by the Benches to carry on the work. But the figures just given clearly under-estimate the amount of reduction effected. The more trustworthy basis of comparison is found in the figures given by the annual reports of the Inland Revenue authorities. The real reduction effected on all counts in the two years 1903 and 1904, before the new Compensation Act came into force, was 2,088 on-licenses, less 361 new licenses granted, making a net reduction of 1,727 licenses in the two years. Of these, 816 were full publicans' licenses, and the remaining 911 were licenses for on-beerhouses or other on-licenses. But these figures refer to licenses, and the actual number of licensed premises closed was possibly somewhat less.

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THE INTERFERENCE OF THE GOVERNMENT.

Unfortunately the reform movement among the justices did not happen to light upon a sympathetic Government. The liquor trade was seriously alarmed, both by the beginning made in the work of reduction and by the warnings of many Benches as to impending action in 1904. Private Bills in Parliament tried to arrest the justices, or to confer a right to compensation. Mr. Balfour, as Prime Minister, endeavoured to arrest the justices by a violent tirade against their action. He invented a theory, for which not one particle of evidence is forthcoming, and which is dead in the teeth of all the evidence that exists, that security is essential to the conduct of the drink trade.*

* It is a commonplace that the drink trade requires to be under control. But control is the very antithesis of security. It is absurd to forget that the whole series of restrictions on the drink trade shows that it is an entirely exceptional and anomalous business, where the ordinary arguments about security of tenure do not apply. The history of the beerhouses shows the disastrous results of granting security. Thus the summonses against "Drink-houses" in the Metropolitan Police district were as follows:—

BEFORE CONTROL.

	Per Annum.
Average three years, 1844–1846	907
" " " 1867–1869	1,233

AFTER CONTROL.

Average three years, 1871–1873	444
" " " 1897–1899	391

The establishment of magisterial control over the beerhouses in 1869 diminished the summonses by one-third (Report of Commissioner of Police for Metropolis for 1899).

Again, the Judicial Statistics "show the number of houses of bad character in England and Wales, the resort of thieves and depredators and suspected persons" as reported to the police (Judicial Statistics, 1872—1874, p. xi.).

BEFORE CONTROL.

	1861–62.	1863–64.
Public Houses	2,216	2,216
Beer Shops...	2,422	2,317

AFTER CONTROL.

	1869–70.	1870–71.	1871–72.	1872–73.	1873–74.
Public Houses ...	1,498	1,280	1,168	832	670
Beer Shops ...	943	758	658	578	476

Nor must it be forgotten that with thousands of transfers taking place every year owing to the vast redundance of licenses, the licensees, as it is, have no real security of tenure.

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He declared that the predecessors of the justices were responsible for the excessive number of licenses which existed, whereas the real author of the excess is the Duke of Wellington's Government of 1830, with the fatal experiment of unlimited beerhouses, whose history abundantly shows that the greater the security of the trade the worse the abuses that occurred. Mr. Balfour had probably some success in inducing Quarter Sessions to restore on appeal 159 out of the 639 licenses refused by local Benches. The liquor trade was not, however, satisfied. It went into violent electoral opposition. Mr. John Morley, in the House of Commons, quoted the language used by the president of a Trade Association in regard to the Government:—

"I do not think," ran the menace, "that the Government will go against the Trade, for we put them in power, and if they treat us properly, we will keep them there; but if they do not, we will chuck them out."

The liquor trade's electioneering forces were flung with telling effect against Ministerial candidates in the Woolwich and Rye bye-elections. Mr. Balfour capitulated. "A special safeguard for the Trade," to repeat a phrase of the then Home Secretary, had to be devised, and the Licensing Act of 1904 was forcibly carried through Parliament. The Act was resisted and resented as a flagrant abuse of parliamentary power. Assurances had been given at the General Election of 1900 that the verdict of the nation on the South African war was alone asked for, and that the Government would not use its power, if it were renewed by the electors, for contentious or partisan purposes. The circumstances under which the Act was passed deprived it of any claim to moral validity.

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CHAPTER II.

THE WORKING OF THE LICENSING ACT, 1904.

I. THE RECOGNITION OF A VESTED INTEREST.

It is indispensable before forming a judgment on the Act of 1904 to gain a clear idea of the nature of the vested interest, which it was the most striking innovation of the Act to recognise. What is meant by the "monopoly value" of a license to sell intoxicants? What are the "license values" for which the Act provides compensation in case of refusals? The right to sell groceries or coal in a locality carries with it no market value. An established trade may, of course, secure to itself a valuable connection of customers and so have a goodwill amounting to two or three years' purchase of the profits. But when Lord Grey secured a license to sell drink in the mining village of Broomhill he found that the mere right to sell, before premises had been even erected, was worth in the market the sum of £10,000, which in fact a firm of brewers offered him for the license. The answer, of course, is clear. The value is due to the monopoly in the drink traffic, and a "monopoly" is defined in the books as the right to participate in an artificially restricted trade. Anyone can sell anywhere coals or groceries. The State for its own purposes has increasingly hedged round the trade in drink, limiting the trade to a certain number of possible license-holders at a restricted number of premises. The practice of the Compensation Authorities clearly brings out the real nature of the values. The values for which compensation is paid are quite apart from site and structure, which in fact are left in the hands of the parties interested; nor are they directly concerned with the retail profits of the publican. They are the

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capitalised estimate of the wholesale liquor-seller's profits on the drinking in his tied houses over a short term of years. These monopoly values would vanish under Free Trade in drink. Their maintenance depends, first, on the restriction of competition by the State; secondly, on the continuance of low peppercorn license duties by the State in exchange for the monopoly conferred on the liquor trade; and, thirdly, on the existence of the tied house system. The blunder of the beerhouse legislation of the last century lay in attacking the monopoly by throwing open the trade in beer, instead of prohibiting the system of tied houses and raising the license-duties, so as to secure that the increased monopoly value should remain in the hands of the State, to whose action it owes its existence.

This monopoly, it must be remembered, never rested on any legal basis. It was open to any bench of justices to break it down at any time in their own discretion, as was once actually done at Liverpool with disastrous results by way of a local experiment in Free Trade. As we have seen, the general experiment of Free Trade in Beer was tried under the sanction of the Legislature for 40 years. The monopoly came about through the gradual adoption of a restrictive policy by the Benches; perhaps it hardly amounts to the conscious adoption of a policy. The restriction grew out of a mere disinclination to grant new licenses in localities in face of a great increase of population. Nor can it be truly said that the State ever deliberately meant to hand over the value of the monopoly to the liquor trade. The scale of license duties is at present very low, ranging from £4 10s. to £60 for a full license, according to annual value, whereas in the State of Massachusetts the minimum fee for a full license is £200 per annum, and it is often increased by the local authority at its discretion to more than double that sum. The British scale of duties was framed before this monopoly value had grown to anything like its modern dimensions, and in days of less restriction it may have been more of an equivalent for the privilege conferred. But the process went on hap-

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hazard; and, without conscious design or realisation on the part of the State, the working of its system tended to throw a State-created value into the hands of the drink capitalists and to concentrate in few and fewer hands an ever-growing monopoly value.

Wisely or unwisely, Temperance reformers acquiesced in this process, partly because they disliked raising revenue from the drink trade (though a higher range of license duties probably means a lower yield of revenue in the long run), but mainly because the State had reserved to itself always a way of escape. The license, whatever its market value might be, was admittedly both before and after *Sharp* v. *Wakefield* an annual license in law. If the State wished to get rid of an individual license, or to carry through a reduction of licenses, it had reserved to itself the free right to act, irrespective of the value of the license. It had given a lucrative privilege in exchange for what in comparison with the value was practically nothing. It claimed the equivalent right, as one of the distinct elements of the bargain, to dispossess the license-holder on the ground of public requirement, without payment of compensation. The whole of this question of value then was extraneous to the licensing law. It depended on a speculation, to which the State was no party. The State tolerated in the hands of the liquor trade a growing value which it never intentionally handed over to the liquor sellers. The liquor sellers could make their own arrangements to safeguard by insurance or otherwise values based on nothing firmer than a mere "expectation" of the renewal of a license. But explicitly and distinctly in the 13th section of the Act of 1828, which said that the license was to be in force . . . . for one whole year and no longer," the State claimed the unfettered right to dispose of the license at recurring annual intervals in the interests of the community. The license in fact remained in the ownership of and the control of the community.

This on analysis was the legal theory of the position. But the legal theory suffered from the weakness that it

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grew increasingly out of touch with the facts of the market. Great stress was laid, and is still laid, on the fact that another department of the State did treat the license as a valuable property for purposes of death duty, ignoring the point that the Inland Revenue did not regard the license as a freehold, but as a tenancy whose value was based on the possibility or on the expectation of renewal. Over and over again the Inland Revenue stated that it gave no guarantee of permanence by taxation on the market value of the moment. It would similarly tax a ship that might sink, a prize bull that might die, or an old master that might be burnt. While the license existed it was in accordance with the practice of the State to tax the market value like any other precarious or vanishing security. Mr. Balfour's argument came to this, that the licensing law ought similarly to recognise the facts of the market; that the door of escape, which the licensing law reserved to itself, must in future be closed; that reduction of licenses on grounds of public necessity could only be allowed upon the surrender of the State's legal ownership of the license and of the unfettered right of refusal; and that in place of the theory of an annual license free from vested interest, a continuing interest in a license must be recognised, and the ownership and control of the license was to be transferred from the community to the drink capitalists. If, however, the licensing system has been forced to recognise this extra-legal interest, which has grown up, it is impossible to stop at this point. We shall be compelled, as will appear later, to advance beyond the halting-place of the Act of 1904.

THE VALUE OF THE SECURITY CONFERRED.

It is in this sense that we must understand the phrase that the Act was a Brewers' Endowment Act. That charge against the Act is not dismissed by saying that brewery securities, partly owing to a general financial depression, which has depreciated railway debentures as well as

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brewery shares, and partly to the fear of a coming reversal of the Act, are no higher than in 1903. The liquor sellers' own pamphlets have some significant admissions on this head. The "Plea for Patience" issued by the Trade Defence Association claims it as a merit for the Act that it "recognised the right of existing licenses to a reasonable security of tenure" (p. 5). The Central Board of the Licensed Victuallers Central Protection Society, in their "Case for the Trade," enumerate among the advantages derived from the Act "the greater stability in the value of their licensed houses." They value "the better degree of security conferred upon them by the Act" (pp. 14, 15). The purpose of the Insurance Fund, as they term it, under the Act is "to confer some degree of value upon an on-license as long as it is in force" (p. 24). "Greater stability, reasonable security," have, of course, a direct cash value in the market. It would be difficult to obtain more direct admissions of an endowment in consequence of the Act. This pamphlet proceeds:—

"As to creating a vested interest in a license, that surely is a confusion of ideas. The interest is as precarious as before, but upon its destruction the persons interested in it receive some compensation" (p. 15).

The sentence does not appear to be a miracle of lucidity. It is difficult to understand how the interest can be as precarious as before, when there remains the tolerably emphatic difference that before the Act the license could be got rid of without payment of anything, and after the Act it has to be paid for, and as the fund is limited, there may be no moneys available. The Act of 1904 then did not create the monopoly value of licenses. But for the first time the licensing law was compelled to recognise it as an essential and integral element in the licensing system. Before the Act the full licenses could have been swept away without a penny of payment, as numberless licenses under a similar system have been got rid of in the United States or Canada. To-day the operation recom-

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mended by Lord Peel would require the raising of millions of pounds, and even with the borrowing powers of the Act taxed to their utmost the operation simply could not be done by the levy provided by the Act. The special safeguard to the Trade is to be seen in the recognition of the continuing interest in a license. A barrier of millions of money was raised across the onward path of Temperance Reform, and under that barrier of monopoly value the liquor trade lies entrenched.

2. REDUCTION OF LICENSES BEFORE AND AFTER THE ACT.

It is in this light that we must discuss the question, which is argued with much parade of statistics, whether the Act has led to an adequate reduction of licenses. The comparison with the reduction undertaken before the Act is not very illumining. As we have seen, the long-delayed movement for reduction was at last coming to a head in 1903. But it was checked at once by Mr. Balfour's douches of cold water, and by the threats of legislation framed to cripple or suspend the powers of the justices. If the new Act offers us nothing better than the sterility and impotence of a previous period of waiting, no condemnation of the Act can be stronger. It would be more to the purpose to ask if it had given us the large and sweeping and immediate reduction which the Licensing Commission Report declared to be a crying necessity. Nor can we ignore the significant utterances of the liquor trade pamphlets, that the purport of the Act was "to avert the ruin which was impending" ("Case for the Trade," p. 23). This cannot refer merely to the loss of the small number of licenses which fell in 1903, when insurance to the tune of £60,000,000 was in fact effected on licensed premises. The trade clearly anticipated that the justices would have operated on a much more extensive scale if they had not been stopped; and from this standpoint Sir Wilfrid

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Lawson was right when he said that the "object of the Act was to check the reduction of licenses."

On the other hand, the avowed belief of the authors of the Act was that it would "greatly promote the reduction of licenses" (Mr. Balfour, April 20, 1904). "What we desire to see," said the then Home Secretary, "is a general reduction in the number of licenses . . . . The number of licenses reducible if the Bill passed would be far greater than anything which had yet been accomplished." They were sanguine that we should see a reduction of "some number incomparably greater than" the number previously suppressed. One sanguine supporter, a Chairman of Quarter Sessions, saw his way to a diminution of 2,400 a year. It was assumed that the justices, who were so eager to suppress licenses in 1903 without compensation that they were reprimanded for their predatory instincts by the then Prime Minister and were controlled by fresh legislation, would never act unless compensation in case of refusal on the ground of non-requirement was provided for their use. We have now had three years of Licensing Meetings under the Act, and we know in practice the best that we may expect from the concession of compensation.

It does not tend to agreement in the controversy on this point that, as has already been noticed, there are two sets of Parliamentary Returns available for comparison; and the reduction before the Act of 1904 can be made to look less or more according to the Return selected. As the liquor trade pamphlet, "A Plea for Patience" (p. 6), puts it, "the official returns of Licenses Refused are so badly framed as to make it difficult to extract results. In fact they appear constructed in order that the inaccuracies of one year might be compared with the inaccuracies of another." Almost any conclusions are possible by judicious selection from these Returns of Licenses Refused for 1903 and 1904. Much firmer ground is to be found in the Annual Reports of the Inland Revenue Authorities,

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which give the numbers of licenses actually paid for in each year. The actual reduction in the two licensing years before and after the coming into operation of the Act is seen in the two following tables quoted from these Reports:—

I. NUMBERS OF "ON" LICENSES ISSUED, 1903-5.

—	For the Year ending March 31.			Net Reduction in two years.	
	1903.	1904.	1905.	Numbers.	Per cent.
Alehouse or Full Publican's license... ...	67,055	66,755	66,239	816	1·21
Beer "on"	29,184	28,880	28,522	662	2·26
Cider "on"...	94	85	82	12	12·7
Beer and Wine "on"	4,919	4,891	4,845	74	1·50
Total Publicans' and "on" beer licenses	101,252	100,611	99,688	1,564	1·54
Wine "on"...	313	303	297	16	5·1
Sweets "on"	1,192	1,118	1,045	147	12·3
Total "on" licenses ...	102,757	102,032	101,030	1,727	1·6

This table, however, be it remembered, gives the net reduction; to find the total number of licenses which the authorities did not renew we must allow for the new on-licenses granted. There were granted, according to Licensing Statistics, 1906, p. 5, 240 new on-licenses for the licensing year beginning April 5, 1903, and 121 for 1904. Thus the gross diminution was about 2,088, less 361 new licenses granted, making the net reduction of 1,727 given above in the biennial period.

Some of these licenses may be held for more than one set of licensed premises, but taking the "publicans'," "beer-on," and "beer and wine-on" licenses alone, where each license would represent separate premises, the net reduction of these licenses is 1,552.

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II. Number of Excise Licenses, 1905–7.

The figures are for "on" licenses which are under the Compensation Act of 1904.

Kind of License.	For the Year ending March 31.			Reduction as compared with 1905.	
	1905.	1906.	1907.	Numbers.	Per cent.
Alehouse or Full Publican's	66,239	65,990	65,863	376	0·5
Beer, Cider and Perry "on"	28,522	28,096	27,514	1,008	3·5
Cider and Perry "on"	82	78	78	4	4·8
Beer and Wine "on"	4,845	4,756	4,714	131	2·8
Total Beerhouse "on"	33,449	32,930	32,306	1,143	3·6
Total Publicans' and Beerhouse "on" ...	99,688	98,920	98,169	1,519	1·5

Besides these, there is a class of on-license which is not subject to the compensation clauses of the Act of 1904. The wine on and sweets on-licenses can be refused by the justices without compensation, and they do not contribute to the compensation fund. The wine on-license is granted in respect of refreshment houses kept by confectioners or as eating-houses, and allows the sale of foreign wines on the premises; and the sweets on-license similarly allows the sale of made wines or liquors made by fermentation from fruit and sugar. Their numbers are:—

——	For the Year ending March 31.			Increase + or Reduction −
	1905.	1906.	1907.	
Wine "on"...	297	288	306	+ 9
Sweets "on"	1,045	991	934	— 111

It will be noticed that the wine on-licenses are practically

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stationary, and that the licenses for the sale of sweets are falling rather rapidly in number.

The new on-licenses granted in 1905 were 53, and in 1906 56, so that the total gross reduction in the two years is thus shown to be 1,730, or 1·7 per cent., but, as we shall see, only 1,069 of these were due to the compensation clauses of the Act.

One caution, however, must be noted. The table shows the total number of premises which were actually got rid of in the period, but further suppression was arranged for in cases of licenses refused subject to compensation. Under the old system, where a license was finally refused, it closed down within a week of the decision of the local justices, or of Quarter Sessions. Now licenses continue till the compensation money is paid. Thus there were 54 licenses refused, subject to compensation, in the spring of 1905 which were still trading nearly two years afterwards, on January 1, 1907. The Home Office Blue Book Licensing Statistics for 1905 (p. 4) and for 1906 (p. 4 and 5) give the figures for those licenses which were refused on compensation grounds alone as follows:—

Refused in 1905, subject to compensation, and paid for before 1st Jan., 1906	179
Refused in 1905, as above, and paid for before 1st Jan., 1907	271
Refused in 1906, and paid for before 1st Jan., 1907	614
Total closed, subject to compensation, in two years, 1905 and 1906	1,064

It should be noted, however, that the Blue Book for 1906, by a slight discrepancy, gives the total as 1,069.

Besides these, there still await the closing hour 54 houses refused, subject to compensation, in 1905, and 942 similarly refused in 1906. If these are to be added to the total of 1,064, it will make a total of 2,060 refused on compensation grounds in the biennial period, or at the

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rate of 1,030 a year. But it is not altogether fair to credit these to the two years' working of the Act. What we have to look at is the work actually accomplished in the period. The compensation authorities work in 140 separate water-tight compartments. In some cases at least the funds of the third year were mortgaged or encroached upon in advance to pay out licenses refused in the second year. The delays in getting cumbrous and unfamiliar procedure to work must be balanced against the fact that the compensation value has been raised by Mr. Justice Kennedy's judgment above what was anticipated in the first year. There may be no certainty that in future even 1,000 houses a year will disappear on compensation grounds; but, taking the accomplished fact as it stands, the achievement of the compensation clauses of the Act in the first two years of its working is 1,069 licensed houses closed, or 1·07 per cent. of the existing number. To these must be added 513 on-licenses suppressed in the two years on non-compensation grounds, that is, for misconduct or structural deficiency, or in return for grants of new licenses, or in the course of public improvements. Thus a total of 1,582 premises are accounted for as closed on all grounds in the two years. Reference to the Inland Revenue figures previously quoted shows a diminution of 1,621 on-licenses of every kind in the same period. The discrepancy may be due to the fact that some licensed premises are held under more than one license, though the full publican's license covers the sale of all kinds of liquor, and there seems little or no reason why any overlapping of licenses should take place. Evidently a reduction of about 1,600 on-licenses, or about 1·6 per cent. of the existing number, was actually secured on all grounds during the two years, of which 1,069 were subject to compensation.

Figures for the third year's working are not yet published, but, in answer to a Parliamentary question, the Home Secretary has stated that "the total number of licenses paid for and extinguished before Dec. 31, 1907, is about 2,669, showing an average annual reduction of 887

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licenses under the Act of 1904. In addition, there was an annual average reduction without compensation of 418 licenses, due to various causes. After deducting the average number of new licenses granted (55), the net average annual reduction for the three years is about 1,250." The Home Secretary has further shown that this total of 2,669 amounts to an average annual reduction of less than one on-license in every hundred (0·89 per cent. per annum), and, if spread over the 1,007 licensing districts of England and Wales, is equal to an average annual reduction of 0·85 of an on-license to each of these licensing districts. (Answer to Parliamentary Question, February 6, 1908.)

It is clear then that while the Act of 1904 allows of a reduction quicker than actually took place in the period of inaction before 1903, that is to say, while the reduction movement was held up in suspense by expectations of coming legislation or by the uncertainties of administrative procedure, there is scarcely any appreciable quickening of the rate of reduction, if comparison is made between the two years immediately preceding the passing of the Act and the first years of its working. It may be urged that the justices would not have continued the reduction-movement of these two years, unless a compensation scheme had been provided. This is a question for the science of hypothetics. In Scotland, however, where in proportion to population there are only about half as many licenses as in England, the diminution has continued in spite of the fact that the Act of 1904 is confined to England and Wales and no compensation scheme is there in existence. The number of publicans in Scotland for the last seven years, as given in the Annual Reports of the Inland Revenue and in a Parliamentary Answer by the Secretary to the Treasury on August 22, 1907, are as follows:—

PUBLICANS IN SCOTLAND.

1901.	1902.	1903.	1904.	1905.	1906.	1907.
7,226	7,187	7,127	7,084	7,025	6,991	6,951

Thus the publicans' licenses in Scotland have diminished

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3·8 per cent. since 1901, and 1·5 per cent. in the last two years, or at the same rate as in England. The other on-licenses in Scotland are inconsiderable in amount, numbering only 227, and are stationary.

The real problem to solve is not the merely historical and statistical question whether the reduction after the Act of 1904 is faster than the reduction preceding it, but whether the reduction to which the Benches are circumscribed by the Act is adequate for the necessities of the nation. No one who has any practical acquaintance with the licensing problem can hesitate for an instant. Under the Act of 1904 a few superfluous outlying licenses can be cleared away, or individual licenses of ill-repute, though not actually convicted of ill-conduct, can be extinguished. But before the real problem of over-licensed areas the justices under the fetters of the Act are almost powerless. How many drink-ridden towns or urban districts are there where the extinction of one or two licenses is merely playing with the problem! A far more drastic and comprehensive handling is imperative. In these over-licensed areas the working of the Act is often absurd. As the licenses are reduced one by one the monopoly value of the survivors rises, and these values would require to be continually bought over and over again by means of the compensation levy. Where in a small town or ward the licenses are in a limited number of hands, it ought to be recognised that sufficient compensation is given through the increased value of the survivors. In such an area the compensation levy should be utilised only for the purpose of equalising the losses of the respective interests.

Lord Eversley, in a letter to the Press of Jan. 11, 1908, gives some striking illustrations on this point. He says:—

> Let me illustrate this by two cases. There is a rural parish in Hampshire where there are six licensed houses to a population of 350, or one to every 62 persons. No one can for a moment doubt that these ought to be reduced by one half or more. They all belong to the same owner. If one-half the licenses were extinguished the remainder would be doubled in value. But under the Act of 1904, if it is desired to extinguish any of these superfluous houses compensation must be paid to the owner, who would thus

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be paid twice over—once out of the License Fee Fund, secondly by the increased value of the remaining houses. What a waste of money in thus dealing with him!

The other case is that of a town in the county with a population of 9,500, and where there are 57 licensed houses, or 1 to 180 persons. It would be to the advantage of all to reduce these licenses by one-half. Nearly all the licensed houses belong to three brewery companies. The effect of this reduction would be to increase the value of the remaining half by the value of those extinguished. Under the Act of 1904 compensation would be paid to the three brewery companies for the licenses extinguished. They would also benefit by the same amount in the increased value of those remaining. Clearly then, they would thus be compensated twice over. The obvious course to avoid this would be to reduce the licenses of each firm in the proportion to the number owned by them and to use the compensation fund for the purpose of reducing any unavoidable inequality between the brewery owners and for compensating the tenants. Under such a course, if adopted in the Act, it would, I believe, be possible to make a reduction of one-half of the licenses in the congested districts within a reasonable time, without any increase of the compensation fund, and without injury or injustice to the brewery firms concerned.

There is only one conceivable theory under which the amount of reduction under the Act can be regarded as satisfactory. The "Case for the Trade" holds that "reduction can only be beneficial as far as it is moderate" (p. 30). The liquor trade would doubtless be still more satisfied if the diminution were entirely inappreciable. It can only be repeated that the disappointing smallness of the diminution must strike everyone who has studied the figures. The net reduction was 0·84 per cent. a year in the two years before the Act, and in the subsequent biennial period not more than 0·89 per cent. per annum. How can any reformer rest content with either set of figures? There are signs, too, that the energies of the Benches are already slackening. Some compensation authorities in 1908 are reducing the maximum compensation levies. When the first clearance of cheap or worthless licenses has been made, how will the funds hold out against the higher scale of compensation assessed by Mr. Justice Kennedy's judgment and the rising values of a still more concentrated monopoly? But even if we may continue to count on a reduction of twelve hundred licenses a year, this amounts merely to a diminution of one license

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out of every hundred per annum over England and Wales, or, on the average, to a reduction of 1·19 licenses per annum in each one of the 1,007 licensing districts in the country. The cry, then, that the Act of 1904 should have a fair trial is answered by saying that it has had it. It is well that the Act should have had its trial in operation, and should have been worked to the full. "The small reform," according to the proverb, "is the enemy of the great." A reduction of one license out of every hundred a year was a small price to pay for the recognition of a vested interest. But the Act is a sham and an imposture, if it is pretended that such reduction amounts to a real remedy. The experiment has proved that so long as the country is bound in the restrictive fetters of the Act it is out of the question to expect a real remedy for intolerable evils. Is there never to be effectual and substantial progress made, or are we to be bound down for ever to a niggling diminution, timid, partial, tentative, utterly inadequate to the real necessities of the nation?

3. THE REDUCTION OF THE BEERHOUSES BEFORE THE ACT.

It is urged that at all events the Act of 1904 increased the powers of justices to reduce the number of beerhouses. Before the Act we are told the Justices "had no power to deal with" the so-called protected or ante-1869 beerhouses ("Case for the Trade," p. 22). These beerhouses, it is said, "prior to the Act of 1904 constituted a privileged class with vested interests of their own, and had to be omitted from any scheme that might be advanced for a reduction in the total number of licensed houses in the country" (Pratt, Licensed Trade, p. 244). A singular legend has grown up as to the inviolability of the rights of the so-called ante-1869 beerhouses. The legend persists in spite of the known facts of the case. Yet it is largely

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dissipated by a glance at the statistics up to the time of the passing of the Act:—

Years ending March 31.	Publicans' Licenses.	Beerhouse Licenses.	
1870	68,739	49,396	
1880	69,112	49,597	
		"on"	"off"
1881	68,632	38,309	13,046
1890	67,315	36,493	13,772
1900	67,003	34,367	14,325

Between 1890 and 1900 the full publicans' licenses fell by 312 or 0·46 per cent., but the on-beerhouses decreased in number by 2,126, or by 5·8 per cent. of their number. Thus the on-beerhouses, instead of remaining nearly stationary like the full licenses, declined appreciably in the period, and diminished more than 12 times as fast as the full publicans' licenses. Again, between 1900 and the coming into force of the Act of 1904 the same diminution is shown:—

	Year ending March 31.					
	1900.	1901.	1902	1903.	1904.	1905.
Full publicans' licenses	67,003	66,973	67,071	67,055	66,755	66,239
Beerhouse on-licenses	34,367	34,254	33,963	34,103	33,771	33,367

Thus between 1900 and the end of the old system the number of full licenses fell by 764, or 1·1 per cent.; while the beerhouse licenses diminished by exactly 1,000, or 2·9 per cent. of their number, nearly thrice as fast. It is true that the statutory rights of the beerhouses under the Act of 1869 hampered the justices, but they did not prevent in practice the diminution of their number. Great was the value of the unfettered discretion over the full publican's license. Armed with this, the justices were able to obtain surrenders of the protected beerhouses, which also disappeared under improvement schemes or on

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grounds of misconduct. Since the passing of the Act of 1904 the rate of reduction among the beerhouses has doubtless increased, the percentage of the diminution of beerhouses being 3·6 in the two years for which the statistics exist, as against 0·5 for the full licenses. This is, of course, due to the fact that the beerhouses are much cheaper to buy than the full licenses, and the compensation authorities prefer to select first the houses that make lesser claims on their limited funds. Mr. Justice Kennedy's judgment has shown that not more than one additional year's purchase is the measure of the additional value, which is still to be attached to the statutory privileges attached to those on-beerhouses which were in existence before the legislation of 1869. Clearly it is a wholly mistaken idea to suppose that the beerhouses had an impregnable statutory position before the Act of 1904. They were, on the contrary, as we have seen, more rapidly declining than the full publicans' licenses.

4. DESTRUCTION OF POWER TO IMPOSE CONDITIONS.

There are two other results of the Act of 1904 which are really derived from the vice of recognising the vested interest in a license. So long as the license was in theory the property of the nation, annually granted to the license-holder, the licensing authority was free to issue or re-issue it (subject to any general statutory restrictions that might exist) on whatever conditions seemed good in the case of the particular license. As soon as the view prevailed that the license was the property of the license-holder, invested with a customary right of annual renewal, it followed that it must be inequitable to affect injuriously the license-holder's property, and the power therefore of imposing conditions on the license to provide for good conduct would disappear. The drink trade pamphlets argue that "the fact is overlooked that the justices never had any such statutory power, and that the power which they had occasionally exercised in that behalf had been assumed by

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them without statutory authority." The statutory authority is, in truth, to be found in the Alehouse Act of 1828, which gave the justices a general and unfettered discretion in the issue of licenses. As Mr. Sidney Webb has shown, the power of imposing conditions was freely exercised in the 18th century. The justices of that period, "like their predecessors of two centuries before, used their power to insist on quite new conditions of carrying on the trade." He shows how they imposed conditions to secure earlier closing, nine o'clock in winter and ten in summer, for instance, in many counties. "More or less Sunday closing became the rule everywhere out of London" in consequence of the conditions laid down by the justices. The Berkshire justices enforced complete Sunday closing, except for the *bonâ fide* traveller. In many counties it was made a condition that persons should not "remain tippling" for more than a specified time; and a whole system of local option or local veto was introduced by the justices of this period, the consent of the vestry or of the principal inhabitants being required for the grant or renewal of licenses in the district.* These powers were unaffected by, and continued to exist under, the Consolidating Act of 1828; and the fact that it was not illegal to impose conditions is shown by the much more recent action of many Benches. Thus in Liverpool, to give an instance, the justices secured the prohibition of the use of back-doors, except for trade purposes; 377 back-doors were closed in 1898 at a date before the statutory power over structural alterations was granted by the Act of 1902. In Liverpool also the practice of serving young children with intoxicants was suppressed both for "on" and "off" sale before the Act of 1901 was passed. Or, to take another case, the Crewe magistrates used this power to revolutionise the conditions of the tied-house system in their district (Licensing Commission Minutes of Evidence, Vol. II., p. 353). After giving 12 months' notice, they

* "History of Liquor Licensing in England, principally from 1700 to 1830," pp. 59—67.

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suppressed the system of managers at a weekly wage and at a week's notice, and insisted on responsible tenants with a minimum of three months' tenure. They overhauled the agreements between brewers and their tenants, and while not prohibiting the obligation on the tenant to get his liquor from a particular firm, they declined to grant licenses where a higher price was charged to tied tenants than to free tenants. An appeal was taken to Quarter Sessions, but that authority supported the justices. And the Superior Courts have also recognised the legality of the practice.

A long list has been compiled of various undesirable practices, which, by virtue of the unfettered discretion of the Bench and the power of imposing conditions, the justices in Liverpool and other places were able before the Act of 1904 to suppress. Among these undesirable practices were:—

(1) Offering attractions to induce custom.
(2) Selling drink on credit.
(3) Giving the "long pull."
(4) Taking of sailors' advance notes in payment of drink.
(5) Holding customers' money and letting them have drink till it is exhausted.
(6) Giving free drinks at Christmas.
(7) Encouraging the formation of slate clubs on licensed premises.
(8) Promoting pigeon-shooting, sweepstakes, rabbit coursing, etc., on land adjoining licensed premises.
(9) Promoting Sunday competitions of various kinds on licensed premises.
(10) Undue frequency in change of tenant.
(11) Employing undesirable bar-attendants.
(12) Allowing house to be the regular resort of young girls and youths (no disorder proved).
(13) New tenant induced to acquire house by misrepresentation.

These and others are based on actual cases where the justices thought it right to exercise their discretion with a view to suppressing abuses, the existence of which was established before them.

The Chairman's Report of the Licensing Commission bore full witness to the practical value of these powers. Its recommendation ran as follows on this point:—

We are of opinion that wide discretion should be allowed to the

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licensing authority in these matters. A separate hotel license would be extremely useful, but beyond this there should be full discretion to insert in the license conditions as to early or Sunday closing, as to open drinking bars, restaurants, supply of food, etc. These conditions should be entered on the register, and on proof of a breach of any such conditions, there should be power to refuse the license without appeal, except on the question whether the breach of any such condition has in fact taken place.

During the debates in Parliament it was pointed out that the new fetters which were being forged for the discretion of the Justices must destroy the power to impose conditions. The authors of the Act of 1904 appeared strangely ignorant of the good work which was being done by many Benches in this way; but as a concession it was provided that (Lic. Act, 1904, §9 (2)):—

If the justices of a licensing district refuse to renew an existing on-license . . . on the ground that the holder of the license has failed to fulfil any reasonable undertaking given to the justices on the grant or renewal of the license, the justices shall be deemed to have refused the license on the ground that the premises had been ill-conducted—that is to say, without payment of compensation.

Did these words give the justices the right of requiring that such undertakings should be given? There was a manifest ambiguity. The point came before the Courts in the Birkenhead case, *R.* v. *Dodds* (1905). The Birkenhead justices required certain undertakings* from the licensees and would only grant the renewals on such undertakings being given. The Court of King's Bench unanimously thought the undertakings could be required. Unfortunately the Court of Appeal, by a majority, took the other view. The Court of Appeal expressly recognised the existence of the common practice on the part of Benches to ask for undertakings regarding the conduct of the trade. "I cannot doubt," said Lord Justice Cozens-

* The undertakings were:—(1) No intoxicating liquor shall be sold or supplied on credit; (2) No intoxicating liquor shall be supplied to any child under the age of 14 years; (3) No games, draws or raffles shall be suffered to take place upon the licensed premises (except billiards in alehouses); (4) The licensee shall devote the whole of his time to the business of the license; (5) The back door shall be kept locked for domestic purposes; (6) No clubs for the purpose of a distribution of drink at Christmas time or any other period shall be permitted on the premises.

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Hardy, "that this was a most wholesome practice;" but he proceeded to declare that the power of refusing licenses, unless the required undertakings were given, had not "survived the destruction of the general discretionary power to grant or refuse" licenses which had been effected by the Act of 1904. It may be noted that Lord Justice Mathew, in dissenting from the judgment of the Court, said: "Without clear language I do not think that there should be attributed to the Legislature the intention to sanction so formidable and, if I may be permitted to hazard the opinion, so lamentable a revolution in the mode which has hitherto been adopted in administering the Licensing Acts." In a subsequent case it has been held that the justices have no power to order the cessation of the use of a back-door for trade purposes. They may order a structural alteration under the Act of 1902, but they cannot impose a condition merely regulating the conduct of the trade. It is true that they may "request" that the liquor trade should be pleased to abandon ill practices. They may even go so far as to report a licensee, where the publican has refused to give an undertaking, to Quarter Sessions for extinction, if Quarter Sessions think it a fit subject for compensation. But this power is valueless where the practices are at all general. What would be the use of reporting all the 236 licenses in Birkenhead, where the compensation fund is only £4,174 per annum? The power of requiring undertakings has therefore lost all sanction; it is plainly evident that it has been practically destroyed by the recognition of the vested interest in a license. That recognition at once involves a lower standard of good conduct by the liquor trade.

5. CRIPPLING THE LOCAL BENCHES.

The other pernicious result of the recognition of the vested interest is the subordination of the power of the local authority to Quarter Sessions. In the counties the real centre of power is now the Compensation Authority,

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the Committee of Quarter Sessions, in whom is vested the power of refusing the renewal of a license. The old theory was to lay stress on the value of local knowledge, whereas to-day local justices are reduced to the position of submitting suggestions and reports to the County Licensing Committee. When the reason was asked for the change, it was urged that as soon as a compensation scheme was set up, it had to be worked in areas at least as large as counties or county boroughs. Thus the recognition of the vested interest brought in its train this revolution in local administration. The Licensing Justices under the old system may not have been certainly an ideal authority, but at least they knew the circumstances of their own district. They could see with their own eyes the premises which they themselves had licensed. The new Committee of county magnates sits in the town with semi-judicial powers, a distant, non-local, unrepresentative body. It removes still further all responsibility for the licensing system and its resulting evils from those whom it immediately affects, the inhabitants of the locality itself. Moreover, the Law Courts have already had a malign influence on the constitution of the body which was intended to be set up under the Act. It was meant to be an administrative body, doing the administrative work which used to be done by local licensing authorities. Lord Halsbury, in the House of Lords (Aug. 5, 1904), refused, on behalf of the then Government, an amendment to make the point clear beyond dispute. The point, he thought, was already provided for. "What more do you want? And why do you want to introduce words which make that which is already clear darkened by exposition? . . . . A stream can rise no higher than its source, and when they" (the Compensation Authorities) "are appointed as substitutes for Brewster Sessions they are there as an administrative body and have no judicial power whatever. I have not the slightest doubt that that is the true position of the law." Unfortunately there is a pernicious tendency among lawyers to assimilate licens-

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ing work to the cumbrous and expensive procedure of judicial tribunals, with its proper array of solicitors, advocates, and witnesses, which is both familiar and congenial to the legal mind. What was clear beyond dispute to the mind of the then Lord Chancellor does not happen to have been the view that has been subsequently taken by the Courts. The tendency of the decisions in the cases interpreting the Act has been to regard the Compensation Authority as a judicial tribunal. The Authority thereby loses its initiative and its free hand for what is really administrative work.

6. OTHER PLEAS FOR THE ACT. APPEALS TO QUARTER SESSIONS.

Two further points are, however, urged in defence of the Act. First, it is said to be a mere change of form. "Little practical change," says the "Case for the Trade," "in the powers of the justices has been effected by the Act." There was anyhow, it is said, an appeal from the local justices to Quarter Sessions in many cases. Now there is a "reference" by the local justices to the Committee of Quarter Sessions in all compensation cases. But this statement greatly exaggerates the frequency of appeals under the old system. For instance, in 1903 out of 639 licenses which were refused renewal by the local justices, the decision of the justices was accepted as final in 331 cases (Parliamentary Return 194 of 1903).

The Brewers' Almanack for 1904 gave a list of licenses refused solely on the ground that they were not required from 1882-6 and in subsequent years up to 1903. The list, however, is by no means exhaustive, there being no returns obtained in several years. The summary is as follows:—

	Number of Licenses refused on above-mentioned ground.	No appeal.	Appeal dismissed.	Renewed on appeal.
1882–1903.....	1,540	1,131	201	159

There were in fact no appeals, or appeals were dismissed

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in 79·5 per cent. of the cases of publicans' licenses refused during this period solely on the ground of non-requirement, and in 93 per cent. of the beerhouses, or in 85 per cent. of the cases of publicans' and beerhouses licenses taken together. It is idle in face of these figures to urge that because there was a possibility of an appeal under the old system effectual power was not exercised by the local justices.

THE CASE OF THE COUNTY BOROUGHS.

The second point which is urged is that at all events under the Act of 1904 the county boroughs get free from the control of the county justices, to whom an appeal previously lay from decisions in the county boroughs. The decisions of the Birmingham city justices are no longer reviewed in compensation cases at Warwick. No doubt this was a step in the right direction so far as the seventy county boroughs are concerned, though the non-county boroughs have an equal claim for emancipation. The effect of this emancipation, however, is largely nullified in practice. The county boroughs get no free hand to solve their own licensing problems. They are liberated from the control of Quarter Sessions, but find themselves still tightly hemmed in within narrow limits by the statutory fetters of the Compensation Scheme.

"MERELY A MUTUAL INSURANCE SCHEME."

The further pleas for the Act can be briefly dismissed. The Act was, it is said, merely a mutual insurance scheme of a compulsory nature. What right has the public to complain? If it were nothing but an insurance scheme for the private benefit of the Trade there would in fact be nothing to be said. But if the language of insurance is to be used, the object of the Act is not so much to insure against a possible loss as to limit the risk of its occurrence. Such an object would always be desired by intending assurers, but it is not usually possible under simple

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policies of insurance. The Act of 1904 first limits the possible loss that may be incurred by the trade, and then provides an insurance fund to meet the loss so restricted. The first-mentioned effect of the Act will have to be undone, and the Trade must be left to make for itself its private inter-trade arrangements to mitigate possible hardships to individuals. The other plea for the Act is that the Trade is compensating itself out of its private money and not out of public funds. The brewery companies are apt to parade in their reports the amount of the compensation levies, and to calculate that the sum is equivalent perhaps to an additional quarter or half per cent. of dividend to their shareholders. They refrain from pointing out the fact that the levy merely takes the place of insurance premiums, which they had to pay before to private insurance companies. Moreover, these sums fall back again, like rain, on the brewery companies in the form of payments for compensation. Deducting the expenses of administration, the whole million a year, which may be raised as compensation levy, is redistributed back to the liquor trade. It is no burden on the liquor trade as a whole, though different interests in that trade may lose or gain by the transaction. It has been held that where compensation is paid in respect of licensed premises mortgaged as a security for debenture-holders, the money should be treated as capital moneys to be invested by the trustees subject to the trusts in favour of the debenture-holders (*Dawson* v. *Braine's Tadcaster Breweries,* and *Steward and Patteson* v. *Blofield,* 1907). The process of reduction therefore is one which compels the ordinary shareholders to provide for the security for the debenture-holders. It follows that the greater the reduction of licenses under the compensation scheme the greater is the amount of security provided in the form of liquid cash for the interest of the debenture-holders, and the debenture-holders at least may not stand to lose by an increased rate of reduction.

The true view of the compensation charge is that this

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levy is a public tax, just as much as the license duty, which the State has a right to exact for national purposes; but under the Act of 1904 this portion of national taxation is used up and ear-marked for exclusively trade purposes, namely, to save the liquor trade the trouble and expense of organising a private insurance scheme. It is true that in practice, if compensation is to be paid at all, it is preferable that it should be paid out of a tax which primarily falls on the monopoly values of the licenses, and which cannot be passed on without difficulty to the consumer. The practical difference is that the public is more ready to utilise for reduction purposes moneys levied in this way, not seeing that in reality a legitimate source of national revenue is being used up in the process. But if the liquor trade is correct in its contention that the compensation levy is raised out of the private funds of the liquor trade, as an exclusively trade transaction, with which the State has no more concern than with the payment of a fire insurance premium, or a contribution to a depreciation fund, a further point follows. The liquor trade cannot have it both ways. They must not parade the compensation levy as an excuse for declining to contribute out of their swollen monopoly profits what may be justly claimed by the State by way of extra license duty. Both Mr. Gladstone and Sir M. Hicks-Beach looked to the monopoly values as a proper fund which might be drawn upon for State purposes. Sir M. Hicks-Beach ear-marked them for an additional contribution in relief of rates—a proposal open to most serious objection. If, then, it is contended that the compensation levy is a private fund, supplied by private moneys for the private purposes of the industry, the liquor trade is estopped from setting up the plea that the source of revenue to which Mr. Gladstone and Sir M. Hicks-Beach looked has been exhausted or trenched upon.

It is constantly repeated by the liquor trade publications that the opponents of the Act of 1904 are not influenced by desire for Temperance Reform but by a wish to plunder

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the liquor seller. Charges of confiscation and predatory designs are good enough for platforms or licensed victuallers' dinners. But enough has been said to show that the objection to the Act is not taken on an abstract objection to the principle of compensation. It is based on the practical mischiefs and inconveniences that flow from the recognition of the vested interest. Neither the limited reduction that is still possible under the Act, nor the minor incidental advantages of some additional control over the beerhouses, or additional powers of the county boroughs, can possibly compensate for the erection of this obstacle to future Temperance Reform. The Act makes it impossible to clear areas from the traffic altogether; it stereotypes the reduction of licenses within the limits which had already been attained before the Act was passed; it cripples the ancient discretionary power of the justices to secure the proper conduct of the liquor trade. It tends to divorce its control still further from local knowledge, local interest, and local responsibility.

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CHAPTER III.

THE PROBLEM OF THE TIME LIMIT.

1. THE TRUE MEANING OF A TIME LIMIT.

"AN Act, whatever its opponents say of it, is an Act," says the Brewers' pamphlet on the Time Limit. Mr. Pratt urges that "the Act of 1904 has effectively disposed of the legal-right-for-year only and the no-claim-to-compensation theories." Alluding to the assertions that the Act, if passed, would bar the path of progress, he regards it as noteworthy that "now that the Bill has become law, the same party which raised these protests is inclined to ignore the said legal right, and is seeking to bring about the very innovations it had said would be impossible for a generation." It was the obvious certainty that such a plea would be built up on the Act of 1904 that gave added cogency to the demand for a time limit during the debates in Parliament on that Act. Some men feeling that they could not forecast the working of the new Act wished to proceed experimentally. It was seen how the ante-1869 beerhouses had obstructed Reform. Might not the ante-1904 full licenses prove to be just as troublesome? Others sincerely wished to leave open the door for local experiments, for local option, or for a scheme of high license. This feeling of justifiable hesitation found support in the Recommendations of the Majority Report of the Licensing Commission, which in proposing a scheme of reduction subject to compensation, wished to leave the matter open to Parliamentary review at the close of septennial periods. The recommendation (p. 54) runs as follows:—

It has been suggested that there are advantages in settling specified periods at which Parliament should review the working of the system, so as to facilitate the introduction of such changes

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as the circumstances of the time render necessary. We concur generally with this view, and recommend that recurring periods of seven years would afford a favourable opportunity to make what fresh departures may seem necessary. In the absence of parliamentary action, the system would continue for another septennial period, when Parliament could again review the situation.

This recommendation was signed by all the representatives of the liquor-trade on the Commission. It is unnecessary to point out that though it proposes a time limit quite different in character from the seven years' time limit recommended by the Minority Report, it does at least contemplate opportunities for revision of the licensing system and the possibility, to quote the Report, "that Parliament might desire to take the opportunity of making more drastic changes" (Final Report: Page 54).

The feeling took shape in an amendment to the Licensing Bill of 1904, that the Bill as a whole, or at least its compensation clauses, should have merely a temporary duration lasting for seven years. For this proposal the whole Liberal Party then in the House of Commons voted, including the present Prime Minister and Chancellor of the Exchequer and, in all, 26 members of the present Administration, who then had seats in the House of Commons. But Mr. Balfour and his Government met this very restricted conception of the time limit with two arguments, each deserving of attention.

Mr. Balfour, in the first place, contended that the Act would place no obstacle in the way of future legislative reform. The Solicitor-General, Sir Edward Carson, submitted that it was "absolutely ridiculous" to advance such an argument (June 7, 1904). Nor was this meant in the merely technical sense that no Parliament could bind its successors, and that the legislative omnipotence of any Parliament is supreme. It was the clear thinking of Lord Hugh Cecil, which first explained how in spite of the recognition of a vested interest the road of future legislation remained unblocked. In his view the Act dealt with a point, or as he would perhaps have said, remedied a flaw within the licensing system as it exists at present. The

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system as at present constituted is one in which the monopoly value of the licenses is suffered to remain in private hands. While that system lasted, it was not illegal, but inequitable in his view, that the licensing authority should extinguish a well-conducted license without replacing in the hands of the parties interested the monopoly value which they could have got for the house in the open market. But this new right was to be merely incidental to the present licensing system. It did not prevent a fundamental alteration of the system. Lord Hugh Cecil said (June 6, 1904):—

An enormous number of people said, "We do not mind this Bill, unless it ties our hands for the future." He apprehended that the great mass of the Church of England temperance opposition to the Bill, so far as they were opposed to it, was upon those lines; but it seemed to him that it rested on a misconception of what the principle of the Bill was, and what the Bill did.

He did not think it tied the hands of any Temperance Reformer in the least. The Bill did not stand in the way of municipalising the trade, or of doing anything which the House of Commons might think fair and just. The Bill did not say, it did not imply, that they were not to take away licenses after a period with notice. . . . The Bill did not deal with that question at all, but it dealt with what were to be the rights of magistrates under the existing law as to refusing licenses without compensation. It did not interfere in the least with the future right of Parliament to set up whatever time-limit it might think proper, under which licenses might cease altogether and after due notice given. And why was that not fair? If they set up a certain limit which every licenseholder in the country knew, and at the end of which his right as a licensed victualler came to an end, he made his arrangements. If the time was long and reasonable enough, he was enabled to get back all the capital he had put into the business, and he would go out without losing a penny.

The assurance that the Bill, if passed, would not block the future was expressed by the leaders of the Unionist Party in both Houses. In the Lords, Lord Lansdowne declared:—

It is wholly incorrect to say that there is anything whatever in the Bill to close the door against any larger scheme of reform should it hereafter be the desire of the Legislature that such a scheme should be passed. My noble friend Lord Grey, who may be regarded as knowing something of the scheme with which he is so honourably identified, told your lordships that in his opinion there is nothing in the Bill to prevent the adoption of his scheme; and what he said is equally true of any wider, more extensive, and

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far-reaching measure that may hereafter be devised. (Speech in House of Lords, 2nd August, 1904.)

In the Lords, 17 Unionist Peers and 12 Bishops, headed by the Archbishop of Canterbury, voted in favour of a time limit, and in the House of Commons no less than 44 Conservatives and Liberal Unionists, including Sir W. Houldsworth, Sir John Kennaway, Mr. Henry Hobhouse, Sir John Gorst, and others, supported the proposal of a time limit in some form or other. Mr. Balfour repeated his assurances with a view of pacifying the uneasy anxieties of supporters, who felt the dangers of the legislation which he proposed:—

"I believe," he said, "that the anxiety about the time limit is due to a fear lest we are shutting the door on any kind of temperance reform in the future other than the present Bill. There is nothing I know in this Bill which is going to stand in the way of any future reform." (7th June, 1904.)

Mr. Balfour, of course, guarded himself against the supposition that he was committed to any kind of scheme of alteration that might be proposed. He carefully deprecated "dishonest" schemes; but assuming that the scheme was honest—a point, doubtless, on which opinions might differ—he declared in advance that there was no reason to be found in the passage of the Act of 1904 which would bar the way to a future measure of Temperance Reform.

Such declarations were expressly taken note of by the Liberal statesmen who opposed the Act. For instance, on behalf of the Opposition, Mr. Bryce declared:—

He did however welcome one deliverance of the Prime Minister [Mr. Balfour]. The Prime Minister denied that any difficulty would be placed in the way of Temperance Reform, because the power of Parliament to further Temperance Reform would remain the same as though the Bill had not passed. If a compromise like this [the time limit] was refused, it was quite clear that they were thrown back to a position in which this Bill had no moral force at all. They objected to the Bill, and felt that they could not do better than to give due notice that they noted what was said by the right hon. gentleman that he did not think it would make any difference in the future. It would then be all the easier to induce some future Parliament to bring about those reforms which they thought were necessary before, but which would be doubly necessary now (11 July, 1904).

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When, then, we are told that we are estopped by the passing of the Act of 1904 from pressing forward the recasting of the licensing system, the answer is simple. The authors of the Act of 1904 gave definite assurances that the passing of that Act was not to be considered as a bar to future legislation. On the strength of these assurances they refused to concede a time limit. These assurances were formally taken note of by the whole spokesmen of the Liberal Party. The Liquor Trade thereby received full notice that the Act could not be a final settlement; and, in fact, at the General Election of 1906, it declared by a manifesto that the return of the Liberal Party would carry with it time limit, Sunday closing, local option, and other reforms.*

Mr. Balfour's second argument is equally deserving of attention. Why introduce a time limit into the Act, he urged, until you see clearly what is to follow the time limit? What was the use of a mere return to the status quo? The old licensing system in his view had broken down. Either the justices would not properly reduce the number of licenses without compensation; or if they did, the Liquor Trade had sufficient electoral force to coerce the Government into breaking the old licensing system to pieces. Such an argument had some force as against those who merely wished the Act to be of temporary duration. It had much less force as against those who, like Sir W. Houldsworth, proposed a time limit of 14 years, by way of compromise, with the object of terminating at a given date the right to compensation. Compensation in that case was a temporary expedient to terminate any unfounded anticipations which, though there was slight excuse for it, might have been engendered in some mistaken view of the law. At the end of a given notice the right to compensation would lapse. This is in fact what has occurred in South Australia, where an option of reduction, accompanied by compensation, was conferred for 14 years in 1891 and ran off in 1905.

* See extract from this manifesto, p. 110.

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Yet the real answer to Mr. Balfour's argument is to be found in his own Act. That Act provided for new licenses a model system, which, subject to certain modifications, will do very well to follow the time limit. Curiously enough Mr. Balfour, though he was recognising, legalising and enhancing the monopoly value of licenses, had the strongest sense of the unwisdom of the anomalies of the system which he was fortifying. He told the House of Commons "how much he regretted the folly of the legislation which had allowed these monopoly values to grow up." He spoke of the present system as "utterly irrational." He continued:—

> The condemnation of the present system is that this Parliament in its wisdom has created a monopoly, and given the value of that monopoly to individuals. We think one of the great reforms of the Bill is that it will in future prevent the growth of a monopoly value, which, as you have allowed it to grow up, you cannot, in our opinion, take away without compensation, but which surely our ancestors would have been wise never to have allowed to grow up, and which we ought to do our best to prevent growing up in future. (Speech on 1st Reading, 20 April, 1904.)

It is only necessary to repeat here by way of caution that no definite action of our ancestors can be instanced by which they deliberately handed over, or intended to hand over, these monopoly values to individuals, and until Mr. Balfour's Act they had always reserved themselves a way of escape. The monopoly value has not been there for 400 years. It is an unintended bye-product of the restrictive policy of comparatively recent years. But acting on the views quoted above, Mr. Balfour introduced in Clause IV. of his Act the germ of a model licensing system, free from the defects which he deplored in the old. The essential features of the new license devised under the Act are as follows:—

(1) The license is fully subject to control by the licensing authority. The justices are empowered to "attach such conditions both as to the payments to be made and the tenure of the license, and as to any other matter as they think proper in the interests of the public." The Home

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Office Blue Books show that this power has been freely used. New licenses were granted in 1906 for purely hotel purposes, i.e., on condition that the licensee should supply liquor solely to lodgers sleeping in the house, and keep no tap or bar on the premises (Wokingham, Brighton and other places); or for merely restaurant purposes (Newcastle-on-Tyne, Plymouth and elsewhere). In the Beacontree Division of Essex licenses have been granted, subject to the condition that barmaids shall not be employed. In other cases Sunday closing is stipulated for (Hereford and Retford Division and elsewhere); and an earlier closing hour on week days is insisted on (e.g., 9 p.m. Saturday night at Hailsham; at Liverpool no drink was to be sold before 10 a.m. or after 9 p.m.); and the tied house system has also been ruled out by these conditions.* Of course, such conditions were in practice imposed by the Benches before the Act of 1904, but the permission to impose them is now given in set statutory terms, and the procedure to enforce the conditions is greatly improved.

(2) The reservation of monopoly value to the State is secured. The justices are specifically directed to attach such conditions "as they think best adapted for securing to the public any monopoly value which is represented by the difference between the value which the premises will bear in the opinion of the justices when licensed, and the value of the same premises if they were not licensed." It may be difficult in practice for the justices to estimate the value, but in theory the provision is complete. Payments have to be made, either by way of annual license duty, or (by a method open to serious objection) by a lump sum; such payments are meant to place the owner of the premises in the same position as he would have been had there been free trade and no monopoly in drink. It will be noticed that this does not affect the question of the average retail profit made by the tenant publican. The

* Licensing Statistics, 1905 and 1906.

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retail profit is in theory the same, both for old and new licenses. The monopoly profits under the present system are reaped either in the shape of additional rent, or in the higher wholesale price paid by the publican for his liquors, and go into the pockets of the brewer-owner.

(3) It follows from this that there is no claim to compensation. It is true that in the first draft of the Licensing Bill of 1904 the new licenses were given a claim to compensation. It was seen, however, that this was illogical. The new license, granted under the model scheme, has no monopoly value, and *ex hypothesi* no value in the market. If it has, the justices have failed to secure, as they are enjoined to do, the monopoly value for the public. The original claim to compensation for new licenses was therefore struck out by Mr. Balfour's Government during the Committee stage of the Bill.

The absence of claim to compensation is secured by the fact that the new license may be granted, not as an annual license, but for "a term," up to a duration of seven years. The septennial license was not intended to be common. It was only to be granted "where presumably there must be a considerable outlay as in the case of hotels"; and Lord Salisbury said that "the Government did not think it would be suitable for ordinary public-houses" (House of Lords, 5 Aug., 1904). In such exceptional cases as hotels the Government thought that seven years would prove an ample time limit, even though full license duties were to be paid during the period, within which a licensee could recover the capital sunk in the business by way of initial expenditure. When, then, these licenses have been granted for "a term," biennial it may be, or for any period up to the seven years' limit, no opportunity for the familiar procedure of renewal is granted. They are non-renewable, simply lapsing at the end of their date. Consequently in their case there is no appeal to Quarter Sessions against the refusal to renew. There is no act of renewal, and consequently no appeal against a refusal to perform that act. They have to be regranted afresh,

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subject to all the incidents of a new license, as to notices, confirmation, and so on, and the monopoly value has to be assessed afresh, so as to reserve for the public any additional monopoly value which may have accrued.

It was, however, also provided, as a concession to the Trade, that new licenses might also be granted as annual licenses to be renewable year by year. Here there would be an appeal to Quarter Sessions in case of a refusal to renew. But the whole machinery for compensation applies only to licenses granted before the Act of 1904 came into force. Consequently, though the appeal to Quarter Sessions exists in case of a refusal to renew a new license if granted as an annual license, the new licenses, whether granted for a term or annually, are excluded from the compensation scheme. It must, however, be pointed out that where a lump sum is paid down at once for an annual license (*e.g.*, £6,500 for an annual alehouse license in the Chesterfield division, Licensing Statistics, 1906, p. 123), there may be grave danger of the claim for a vested interest reasserting itself; and these annual licenses are one of the blots on the model scheme.

There are some other defects in it. The appropriation of the license duties in aid of rates is full of danger; the duties should go to the Imperial Exchequer. Nor is the grant of the license sufficiently under the control of the locality. The Committee of Quarter Sessions has power to modify the conditions imposed; there is, as we have seen, an appeal to Quarter Sessions in certain cases; there is no machinery provided whereby the locality can adequately express its wishes as to the grant of the license. Lastly, the septennial license, though interesting as throwing light on what Mr. Balfour considered a fair time limit in these cases, is an unwise and inconvenient departure from the theory of the annual license, which is universal in the Colonies and America. In practice also the new scheme may be rendered very largely inoperative. It has been decided by the Courts that a license removed to a new locality under the 50th section of

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Licensing Act, 1872, remains an existing pre-1904 license, and is therefore exempt from liability to have the conditions, prescribed in Clause 4 of the Act of 1904, attached to it. The result is that, in place of applications for new licenses, applications for removals of old licenses to new sites will be commonly made. In 1906 56 new on-licenses were granted, while the removal of 39 on-licenses to a new site was sanctioned. In these details the model scheme needs modification and revision.

In its essence, however, it presents an ideal of a license system recast and transformed. In the case of the pre-1904 licenses we have the recognition of a vested interest, the definite surrender of the monopoly value to the liquor seller, the right to equitable compensation, and the exemption of the license from local control. The new license under Clause 4 of the Act of 1904 is subject to control, is freed from vested interest, and carries with it no claim to compensation, while the monopoly value attached to it is compulsorily reserved to the State. The Act of 1904 then was an amalgamation of mutually contradictory ideas. Can the British licensing system in the long run continue on a dual basis so self-contradictory and anomalous? Must there not come a time when the principles of the new system must be made applicable to the old licenses? That transition follows with irresistible logic. Directly you cease to treat the monopoly value in the brewers' hands as a thing extra-legal, and extraneous to the administration of the licensing system, the further step becomes inevitable. The old system doubtless had its anomalies. In practice, however, these anomalies have not prevented our Colonies and many parts of the United States from obtaining a large measure of Temperance Reform. But if the old system was "entirely irrational," and if Mr. Balfour has erected a model system based on logic and reason before our eyes, surely it was possible to effect the transition from the blundering and irrational anomalies of our misguided ancestors, as Mr. Balfour regarded them, to the clear-cut and scientific ideal of the

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late Unionist administration. Nothing would, however, induce Mr. Balfour to take that step. Except in the case of a score or two of new licenses, he preferred to leave the new creation hanging beautiful but impotent in the air. Under the Act of 1904 it is altogether too bright and good for human nature's daily food. Many of his Unionist followers, both in Lords and Commons, however, saw that the change was inevitable; and the case for the transition could not be better put than by Lord Peel in the House of Lords. He said, on August 1st, 1904:—

If there are such evils in the present system, as is admitted, if these evils exist, why are we to bear them longer than is necessary? Why not at once, instead of giving a permanent vested interest to all the licenses which now exist, treat them as if they were monopolies which were detrimental to the State, and harmful to the community, and then introduce your system of leases whereby no harm would be done to anybody? What did the Prime Minister say when he introduced his proposal with regard to seven-year licenses? He said: "Magistrates under this Bill are obliged to make terms with the new license holder, which will prevent these enormous monopolies growing up, which I think have been the greatest absurdity of our present licensing law." Therefore, if it is advisable to prevent a monopoly growing up in the future, is it beyond the wit of man to devise a scheme by which the present monopoly shall come to an end within a reasonable time?

The true conception of the time limit grew clearer as the debates on the Bill proceeded in Parliament during 1904. In the House of Lords the Archbishop of Canterbury definitely proposed that the transition should be made. His proposal was somewhat complicated; there was to be a period of 14 years during which a reduction scheme subject to compensation would run. At the end of that time the survivors were to have an additional seven-year period guaranteed to them, subject only to good behaviour; and at the end of the full period of 21 years

"There would be," he said, "a new start altogether upon the exact lines which the Government had itself proposed for new licenses, the principle being established that the monopoly value belonged to the State, and that if it was acquired by any individual he should have to pay for it. . . . That was the principle which the Government had applied to new licenses, and I would apply it to old licenses as well. . . . Admitting that a mistake in policy was originally made, I would make the largest possible allowance for possible

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hardships that may to some extent fall on individuals in correcting that mistake, and I should have thought that all that was required was that due notice should be given to owners to enable them to provide against the time when the State would resume that which originally belonged to the State."

The necessity for the transition then was fully grasped and explained. The length of the period proposed is very open to criticism. The Archbishop said that "certainly they would be paying beyond what any legal obligation required . . . . his proposal would not only be fair but even munificent to the Trade. It would be generous beyond what a right in equity ever could claim." Lord Rosebery regarded the term proposed as "unduly liberal." Lord Peel found it "very difficult to accept."

"If," he said, "their lordships rejected this most liberal and extreme compromise which had been offered to the trade, he very much doubted whether they would be able to persuade the country ever to make such a liberal offer again. . . . If they could only get some hope of an end to the present state of things, he would accept almost everything; but if these terms were not accepted, then, speaking for himself, he should feel at liberty to adhere to his own plan of a notice of seven years for England and five years for Scotland. But let them make it more than that if they liked rather than go on perpetuating this trade, perpetuating the vested interest, tying up the hands of posterity for all time, and continuing a state of things which in its present condition was absolutely intolerable to the country at large."

The 21 years' time limit, then, was a last effort to effect a compromise on almost any terms. The length of the period could only be justified in the last resort by the previous rejection of less extravagant offers in the House of Commons. Such terms cannot possibly be contemplated again, for, as Mr. Cripps truly pointed out, they give the trade considerably more than the market value of the licenses, and more than the value under the Kennedy judgment.

In its true conception, then, the time limit involves nothing less than the liquidation of the system set up by the Act of 1904, after reasonable notice, with a view to the introduction of the new model. When the liquor trade publications declare that "it is inconsistent with the purpose and scope of the Act of 1904" ("Case for the Trade," p. 23), that is only true in the sense of Lord

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Hugh Cecil's theory of that Act, namely that the Act deliberately left on one side for future unprejudiced consideration the problem of recasting the Licensing system. In every other sense the time limit is the logical consequence of the Act of 1904. Especially in its provisions about the new licenses, that Act points the way by means of the time limit to the better system which it foreshadows. The time limit leads up to what is the indispensable complement of the Act of 1904, a licensing system, namely, where, for all licenses as well as for the handful of new licenses, the monopoly value is not surrendered to the liquor sellers, but reserved to the State. The only question that remains is as to the terms on which that transition is to be effected. It is common ground between all parties in the State, except the liquor interest itself, that the transition, if it were effected, would be in the public interest. It is preposterous to argue that the State is so powerless, so much at the mercy of the liquor interest, that a blunder or an oversight, even if it be admitted to be such, can never be redressed. When the "folly" and the "irrationality" have been clearly pointed out by Mr. Balfour, it would be worse than irrational, it would be unendurable, to acquiesce contentedly in a gigantic evil.

2. OBJECTIONS OF THE LIQUOR TRADE TO THE TIME LIMIT.

We may now consider some of the objections urged in the liquor trade publications against the time limit. We have seen that two distinct points are involved: First, the termination of the right to compensation; and, secondly, the recovery of the monopoly value by the State. These points can be treated separately, and the liquor trade's objections group themselves therefore under the two distinct heads.

Let us consider first the case where a time limit has led up merely to the termination of the right to compensation. If, then, a period of years is fixed at the end

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of which the right to compensation shall terminate, it is said that "gross injustice would be done to those who down to the expiration of the time limit had paid their compulsory subscriptions to the insurance fund" set up by the Act of 1904 ("Case for the Trade," p. 24). The answer, of course, is simple. They would have had their *quid pro quo* during the period of the time limit. They would have had during that period the protection for which they had paid. A time policy is perfectly well known in marine insurance. No shipowner whose time policy had expired would think himself unjustly treated if the underwriters declined to pay when the ship had sunk after the expiry of the risk. Temporary life insurances are not unknown, and it would always be possible for the licensee to arrange for an endowment policy payable at the close of the time limit. Nor is it merely that the surviving house would have had protection. It would have had a reduction of its competitors, and consequently some increase of profits during the period. It would have had the privilege of a continued participation in a still more restricted trade. It would have had further the opportunity to replace its capital by a sinking fund. If it is said that the worse conducted house would get compensation, while the better conducted house at the close of the period would get none, why should not this better conducted house have established its sinking fund during the period when it enjoyed the advantage of a protected existence? What is there to prevent it from taking out a voluntary insurance against the risk of suppression, when at the close of the time limit a considerable reduction has already been effected and when presumably therefore insurance rates might be low? Why should it be more impossible to insure the license of this excellently conducted house than to insure the potman under the Workmen's Compensation Act against the risk of personal injury? The same argument meets the case of the reversionary interests, which may come into existence fifteen or twenty years after the time limit expires. Distant expecta-

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tions of that kind will have their opportunities of insuring or providing sinking funds during the currency of the time limit, and distant reversioners must have realised any time during the last twelve years the risk which their expectation was exposed to from impending legislation.

It is urged that it is unfair that a house, after paying the compensation during the reduction period, should in the last year of that period receive full compensation on extinction, while another house, after making the same payments, should in the year after the time limit expires receive on extinction no compensation at all. But this ignores the fact that the compensation would be lessening year by year automatically, so that the difference between the two houses mentioned above would in practice be only one year's profits. It is sometimes proposed that this automatic diminution of the compensation payable year by year should be specifically provided for in the amending Bill. But whether that is done or not, the effect under Mr. Justice Kennedy's judgment would be attained all the same. That decision prescribes that the compensation payable is a certain number of years' purchase of the profits. The number of years is not fixed, but may vary according to the circumstances of the individual license. If a time limit is ordained, after which the full monopoly charge is imposed, it is obvious that the number of years' purchase of the monopoly profits will lessen automatically in proportion to the approach of the time limit.

Similarly, the notion that "undesirable conditions of trading would be fostered" ("The Time Limit"), or that "the upkeep of the houses would suffer" (Pratt, "Licensed Trade," p. 255), rests on a similar misconception. Security does not tend to improved conditions in the retail liquor industry. It may be laid down with confidence that the greater the security the worse the conduct of the trade. That is a position which we have seen to be historically demonstrable by the history of the beerhouses. Strict control is requisite. The closer the time limit arrived, the nearer would be the approach to

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the full control exercised under the model system. The publicans would enter into a competition among themselves to see which house was the least ill-conducted in the district. The Licensing Authority would recover the lever which was the great instrument of reform in Liverpool. The whole standard of conduct in all the licensed houses would tend to rise.

Further, we are told that "the licensing problem, instead of being solved, would come up afresh at the end of the time limit in a more acute form than ever" (Pratt, "Licensed Trade," p. 259), or "that the state of things which existed before the passing of the Act would again come into existence"; we are threatened with a new agitation in the liquor trade and the disinclination of the justices to reduce licenses ("Case of the Trade," p. 25); we are told of the possibility of a recurrence of the conflict between "legal possibilities and obvious equities." But after all, even if at the close of the time limit only the legal right to compensation were terminated, the position would be sensibly relieved. It would be impossible to plead ignorance or misapprehension of the law on the part of the innocent investor in brewery shares. There would have been a reasonable period during which he could have made his arrangements, and the liquor trade could be left to mitigate hardships by their voluntary schemes of insurance. It is idle to say that such a system cannot work. On the American Continent, where no one dreams, or has dreamt for half a century, of a right to compensation, monopoly values nevertheless exist. Licenses are suppressed with a much greater freedom than in this country, both by the Licensing Authority and under the popular vote. A system which in practice works in the suburbs of Toronto, a city in which licenses may be worth about £3,000 in market value, but are extinguished with no thought of compensation, can equally exist in England.

But no doubt there is no satisfactory solution of the difficulties unless the time limit is followed by the adoption of Mr. Balfour's model scheme. Then all licensees

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would be in the same position as new licensees are now. There would be no compensation payable to the owner of the house after the time limit, because there would be no value to pay compensation for. There would be no need of insurance, by the owner at least, for there would be nothing for the owner to insure. There could be no conflict between the law and the facts of the market. The two would have been brought into complete harmony. The upkeep of the houses, the proper conduct of the trade, any tendency to push sales unduly would be at once provided for by the check of the absolute control over the license which would then be vested in the Licensing Authority. The more the liquor trade point out the difficulties which might rise again if the time limit were followed solely by the abrogation of compensation, the stronger becomes the case for the application of the Balfourian principles to existing licenses, and for the eventual assimilation of the status of the old licenses to that of the new. It is absolutely necessary to insist on this point.

It is quite true that such an application of the model plan of licensing involves a much more drastic change for the liquor trade to face, though it is without doubt the logical outcome, to which the Act of 1904 irresistibly compels us. As Lord Spencer, as Leader of the Liberal Party in the House of Lords, said on 9th August, 1904:—

> We meet the [late] Government's compensation proposals by a claim for what I will call restitution, the recovery by the State of the monopoly which the State has created, and which for its own imperial purposes the State in future must be endowed with.

It is answered that this is "deliberate spoliation"; that it "utterly annihilates at the end of the time limit the whole of the property in existing licenses" ("The Time Limit," pp. 2 and 7); or that it is "deferred injustice."

We are told with a dexterous appeal to the growing fear of Socialism that this would form a "precedent for public plunder." But there is no service done to property in confounding essentially distinct things. The right to use and enjoy the product of human labour, acquired or

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inherited, may well be distinguished from the right to the capitalised monopoly profits on the prospective drinking of the nation in future years. The real danger to property would come from a failure to separate property from this other very anomalous interest. It would be well to distinguish things essentially diverse in character. More than once the just claims of property have been prejudiced or imperilled by the endeavour to "claim a fee simple in an abuse."

Mere wild cries of spoliation, however, do not settle the matter. It may be worth while to look somewhat more coolly at a proposal which the Archbishop of Canterbury thought it right and honest to make in 1904 (though with an excess of "munificence" to the liquor trade), and the object of which was approved by Lord Peel.

When it is said that "at the end of the time limit the whole of the existing licenses shall be confiscated," it is necessary to clear away some confusion of ideas. That statement is greatly exaggerated. The interest of the tenant publican is not confiscated; his retail profits will be unaffected by the change: he will be in exactly the same position as a tenant holder of a new license to-day. It is only a portion of the interest of the drink-capitalist, the brewer-owner of tied houses, that would terminate; yet not the entire interest even in his case. The site and structure would, of course, remain in his hands, and the license duties would not be calculated on the structural value. The license duties would be independent of structural value, as in the case of the new licenses of the present day, where the monopoly value has to be specially calculated, "having regard to proper provision for suitable premises and good management" (Licensing Act, 1904, § 4 (2) (a)) The drink capitalist would in fact be put in the same position as if he owned a house with a new license under Clause IV.; or in the same position as he would be if the country had free trade in drink and no monopoly were established in the trade. In other words, it is nothing but the interest in the monopoly value which is to be transferred from the drink capitalist to the State.

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Nor would it be necessary for the brewers to write down the whole of their capital, which is represented by license values, during the time limit. Since Mr. Justice Kennedy's decision many people have asked why the brewers are able to command ten years' purchase of their profits, when a well-established firm in other kinds of trade can only command two or three years' purchase. It is answered that the reason lies in the monopoly. That might indeed account for higher profits than are obtained by ordinary traders, but why should it enable a larger number of years' purchase to be secured? There seems no answer, except that, as a matter of fact, brewers are, or were, willing to pay these prices to secure channels of trade in which the State protects them from competition and where the monopoly profits are high. If there were free trade in drink the profits would, of course, fall, for the present brewers' prices could not possibly be maintained under a competitive system; but, presumably, a firm showing a steady trade would be able to command the usual two or three years' purchase of its profits for goodwill. The object of the time limit is to leave the brewer the average profits which would be obtained at the premises in question, if there were free trade in drink, securing the further monopoly profits to the State. Or, putting it in another way, the brewer would still obtain the profits which he can now command if he supplies beer to premises holding a new license; he makes, of course, a profit on such supply or he would not do the trade at all; and yet new licenses are asked for. It is true that the profits could not be allocated after the time limit to any particular house; they would be credited, not to the licensed premises, but to the brewery itself. It is not easy to say what portion of the £100,000,000 (if that is the present correct value of the existing on-licenses) need not be written off by the end of the time limit. But it would obviously be sound finance, in virtue of the trade which would still be done, though under new conditions, to leave some portion of these millions as represented by goodwill of the brewery.

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THE LENGTH OF THE TIME LIMIT.

Before considering the terms on which the transition to the model licensing system can be equitably accomplished, we have to define the precise nature of the vested interest conferred by the Act of 1904. It cannot be put higher than by saying that that Act conferred a continuing interest in a license, vested principally in the drink-capitalist and to a merely fractional extent in the licensee, subject to good conduct and the provision of suitable premises, defeasible with compensation in certain contingencies at the expense primarily of the drink trade, and subject to notice that there remained an unprejudiced right to revise this very anomalous interest which the Act conferred. It is not correct to say that this amounted to turning the license into a freehold. Mr. Balfour, in the debates on the Act, repudiated the term "as a gross fallacy."

"It was not intended," he said, "to give freehold value to people who have no freehold value. We intend to do nothing of the kind, and nothing in our Bill will do it."

There are vested interests and vested interests. Mr. Balfour had no difficulty in distinguishing the new right conferred from that of a freehold interest. The distinctions indeed are plain. You cannot turn a freeholder out of his freehold on the ground that he or his tenant have misconducted themselves. You cannot break the tenure of the freehold at annually recurring intervals on the mere ground that the freeholder is no longer required in the neighbourhood, and then leave him to find compensation, not at the expense of the public, but at the expense primarily of the other freeholders in the county. Again, supposing that the State chose to adopt a policy of free trade in drink, as it did in 1830, the monopoly values would disappear, and the right to compensation would, for the drink capitalist at all events, be nugatory. No obligation to the Trade prevents the State from taking such action. Nothing stands in the way except consideration for the public. But the State cannot destroy

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the value of a freehold by letting loose a swarm of other freeholds in the country. Perhaps the most significant feature of the tenure is that even in the hour of its triumph the Trade did not press its claim, according to its own assertion, to be compensated out of public funds. It contented itself with what it declared was the right of the individual licensee to be compensated at the expense of the liquor trade as a whole. It satisfied itself with a right as against the trade, and abandoned its claim against the public. The spokesmen of the Trade adopted this position, and any Government is justified in taking them at their word. There can be no claim on the public funds in future for this singularly anomalous and restricted interest. If a full freehold can be bought at 25 years' purchase, how much less is the consideration that may be fairly arranged for an interest so inferior in degree and conferred under the circumstances of the passing of the Act of 1904?

The present market value of the right conferred has, of course, been cleared up by Mr. Justice Kennedy's judgment in the Ashby's Cobham Brewery case. In that case it was laid down that an indication of the value could be found in the price which a brewer might pay for the house. Consequently the brewers' wholesale profit on the liquor consumed, though not the tenants' retail profit, was to be taken into account. This was capitalised in the test case at 10 years' purchase, and to this was added the capitalised value of the rent which a tenant would be ready to pay in view of his retail profits on the drink consumed in the house. A small sum is added in view of depreciation of fixtures. The result is the value of the premises as licensed, and from this the value of the premises as unlicensed, *i.e.*, the value of site and structure, is deducted. The result is the sum payable by way of compensation.

It should be noticed that Mr. Justice Kennedy remarked in his judgment:—

> The number of years' purchase which should be adopted will vary, as it seems to me, with the character of the premises, the circumstances of the locality, the prospects of the improvement of the

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business done on the particular premises, the general state of the liquor trade, and the competition in the market for the acquisition of this class of property; and the assessing tribunal must in each case of dispute decide according to the weight of the evidence of competent witnesses.

It cannot, then, be fixed at any definite number of years' purchase in all cases. In the case of a protected ante-1869 beerhouse Mr. Justice Kennedy gave 11 years' purchase instead of 10; and the Inland Revenue, since his judgment, in one case known to the writer have sanctioned only five years' purchase, where ill-conduct of the premises, though not in the opinion of the justices justifying suppression without compensation, had prejudicially affected the prospects of renewal. The Inland Revenue Commissioners, as a matter of fact, treat 10 years' purchase as a maximum, unless in exceptional cases. It may be noted that in the test case the average yearly profits were ascertained to be £141 5*s*., and the net compensation payable was £1,497 10*s*., or a fraction over 10 years' purchase of the yearly profits of the business. But that number will vary in each case, according to the proportion which the value of site and structure bears to the total licensed value. It has further to be borne in mind that the particular case chosen for the adjudication of Mr. Justice Kennedy was specially favourable to the liquor trade; partly for this reason, and partly in consequence of the method of assessment adopted by him, the judgment raised the whole scale of the compensation which the Inland Revenue Authorities were inclined to allow. In cases that could be quoted the increase was as much as 40 to 50 per cent., and the judgment was hailed by the liquor trade as "the Magna Charta of the Trade."

This judgment, however, throws a striking light on the monopoly values, which are the crux of the problem. No one knows what sum they amount to for England and Wales. Wild guesses such as £300,000,000 can be put aside. Sir John Ellerman, a brewery director, says "the value of the licenses in the United Kingdom cannot be less than £200,000,000." Ireland and Scotland, which

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are not subject to the Act of 1904, are, of course, excluded from our purview, and he appears to include the value of site and structure. Mr. E. N. Buxton says:—

> It will perhaps be safe to say that for all classes of licenses for England and Wales, it [the value] lies between 125 and 175 millions. At any rate, for the purposes of this argument I think I shall not overstate the case in putting it at 150 millions.

It will be noticed that this estimate includes the value of the off-licenses. Generally also the experience of compensation cases shows that the liquor trade has a very exaggerated idea of the value of its licenses and is often well-content to take 50 per cent. of its claim.

Sir T. P. Whittaker, M.P., at the time of the Licensing Commission, put the value of the on-licenses, apart from site and structure, in England and Wales at 125 millions. This was, however, in the midst of the boom in licensed properties, and, if it was correct at the time, it must certainly be substantially reduced by, say, at least 20 or 30 per cent. for the figures of the present day. The Inland Revenue issued a memorandum from Somerset House in explanation of its method of assessing license values, dated 6 Dec., 1905:—

> In the course of this they state that the effect of brewers' competition on the price of licensed premises "is now insignificant compared to what it would have been ten or even five years ago. It is a matter of common knowledge that the prices paid by brewers for licensed houses during some years towards the close of the last century were altogether excessive. As an illustration, it will be sufficient to quote a circular recently issued by Messrs. Watney, Combe, Reid & Co. to their shareholders" (see *The Times* of Nov. 23rd, 1906):
>
> "There has been," say the directors, "during the last five or six years an unprecedented decrease in the consumption of beer, and in the business (both sales and profits) done in licensed houses, with a consequent and corresponding depreciation in the value of such properties. Many of these properties were bought at a period of high prices, and loans in connection therewith were made to our customers, a large number of whom are now unable to continue to pay the agreed instalments of principal and interest, with the result that these loans must be treated as partially irrecoverable."

The circular then proceeds to state that the result of an exhaustive valuation of the capital assets of the company made for the purpose of separating the amount of depre-

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ciation due to ordinary wear and tear from that required to replace lost capital on a basis that may reasonably be relied on for future realisation shows an ascertained loss on freeholds and leaseholds of £370,000 and on loans to customers (*i.e.*, the licensees of tied houses) of £1,700,000, or a total loss of capital tangible assets of £2,070,000.

It is obvious that these monopoly values are not a fixed quantity, but fluctuate wildly.

One indication of value is to be found in the advertisements of the Licenses Insurance Corporation and Guarantee Fund, Limited, which used to appear in the pages of the "Brewers' Manual." These advertisements have ceased to be published of late, and the figures refer to the boom periods of inflated prices.

On reference to the table given on page 89 it will be seen that the average value of the insured houses which were refused renewal rose from £666 in 1897 to £993 in 1902. As the insurance was against all risks, including misconduct, the houses dealt with would not be merely the cheapest of their kind, but might include valuable licenses as well.

Another indication of possible value is to be found in the work of the Compensation Authorities. The total number hitherto suppressed and paid for is as follows, with the compensation paid (Licensing Statistics, 1906):—

Refused, Subject to Compensation.	On-Licenses.	Total Paid.	Average Value per License.
		£	£
Paid for in 1905	179	109,474	611
Refused in 1905, and paid for in 1906	271	226,172	834
Refused and paid for in 1906 ...	614	396,469	645
	1,064	732,115	688

But this doubtless refers presumably to the cheaper licenses, as being those least required. The actual numbers of on-licenses in existence in England and Wales

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which came under the compensation scheme are as follows (see Licensing Statistics, 1906, p. 68):—

—	Full Victuallers (Alehouses).	Beerhouses.	Total.
In Petty Sessional Divisions ...	37,685	15,179	52,864
In Non-County Boroughs... ...	8,603	3,301	11,904
In County Boroughs	20,138	13,102	33,240
In England and Wales	66,426	31,582	98,008

Mr. E. N. Buxton's estimate of £150,000,000 gives an average value of over £1,500 for each license, apart from site and structure. Considering that 52,864, or more than half the on-licenses in England and Wales, are situated outside the towns, the estimate looks far too high; £500 apiece as compensation would amply cover thousands of these country public-houses, and allowing for the much higher range in London and in those of the county boroughs, where a restrictive policy has been adopted, I doubt if the monopoly values in England and Wales can be above £100,000,000. But the practice of Compensation Authorities shows plainly that neither the brewers nor anyone else can say for certain what the figure really is. It is a speculative sum, which in any case could never be realised at once.

Mr. Justice Kennedy's judgment has seriously handicapped the work of the compensation scheme, but at least it enables us to leave on one side the precise determination of the correct figure. Whatever the capital sum may be, there is a constant ratio between it and the profits of the wholesale trade. The capital sum is ten years' purchase, or thereabouts, of the annual wholesale profits in the houses concerned. When this arithmetical formula is established, it does not matter for our calculations whether the capital sum is 100 or 150 millions, or less or more. In the one case we can reckon that out of the total profits,

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both wholesale and retail, made in the licensed houses there are annual profits of 10 millions in the one case or 15 millions in the other to correspond with the capital sum, whatever it is. It must not be overlooked that these annual profits do not represent the whole of the profits made in the houses, but only that portion of the profits which is taken into account for the purpose of estimating the monopoly value.

The best answer to Mr. E. N. Buxton's assertion that it is impossible to provide a sinking fund during a short period lies in this fact. It is obvious that a State monopoly covering these high annual profits for the whole of the capital employed, whether in the form of debenture, preference, or ordinary shares, allows a large margin for providing sinking funds after payment of reasonable dividends to shareholders. It is possible that individual companies with watered and inflated capitals may find difficulties with their sinking funds. If so, their capitals are not represented by any license values which would be justified even on the basis of Mr. Justice Kennedy's judgment, and can have no claim to legal recognition. For instance, many London breweries operating in the centre of London have been hit by the movement of population outwards to the suburbs; under the influence of the new facilities for quick transit population has shifted from the over-licensed centre to the new areas, where licenses have been granted more sparingly. Hence the brewers of the outer suburban ring have flourished at the expense of their more central competitors, and many loans of the companies to tied tenants on the security of the licensed values are unrepresented by any real assets. But the State cannot be obliged to provide an equivalent in cash for the water in the stock of over-capitalised companies. Apart from the higher profits which will result from the diminution of competition under reduction schemes, and the increase of trade, which to some extent at least will accrue to the survivors, it must not be forgotten that the on-licenses are not the only outlet for the wholesale trade of the liquor seller. There is the family trade, the supply

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of liquor to clubs, or refreshment houses, or to grocers and the other off-licenses, which are outside the compensation scheme of the Act of 1904, and, lastly, a growing export trade amounting in 1906 to half a million barrels of beer and over seven million gallons of British spirits. All these channels of trade, which are unaffected by the scheme, will continue to provide additional profits for the liquor trade while the necessary sinkng funds are being provided.

THE DEFENSIVE PREPARATIONS OF THE TRADE.

We have, moreover, to realise that the liquor trade has had its very intelligent anticipations during the last 20 years. Much work of defensive preparation has been carried through during a period in which drastic reforms have been threatened all the time.

It is well known, of course, that the monopoly in the liquor trade has greatly intensified during the last quarter of a century. In 1870 the Inland Revenue returns showed 28,679 brewers for sale; for the year ended 30 Sept., 1906, their number had fallen to 5,025. Other brewers, not for sale, were 110,025 in 1882; these had dwindled in 1906 to 9,322. The tables given by the Inland Revenue are eloquent of the crushing out of the smaller firms, and especially of the publican who brewed his own beer. The following is a summary of the numbers of brewers for sale according to barrelage:—

Year.	Under 1,000.	Under 10,000.	Under 100,000.	Over 100,000.	Total.
1880... ...	16,770	1,768	475	27	19,040
1890... ...	9,986	1,447	529	38	12,000
1900... ...	4,759	910	570	51	6,290
1906... ...	3,659	804	513	51	5,025

Out of the 5,025 brewers for sale, brewing 35,278,990 barrels of 36 gallons each, 89 per cent. is produced by the

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firms whose output is above 10,000 barrels. There are only 224 firms who brew more than 30,000 barrels, and these produce not less than 24,601,416 barrels, or 69 per cent. of the total brew, and nearly 12,000,000 barrels are brewed by 26 companies.

A second point to notice is that this trade, thus concentrated into the hands of a small number of companies, has been recapitalised almost entirely in the last 20 years. "Duncan's Manual of Brewery Companies, 1907," published by the "Country Brewers' Gazette," gives particulars more or less complete of 417 British companies. Of these only 21 were registered more than 20 years ago. All the rest are a mushroom crop of new companies, formed since the very successful flotation of Guinness in 1887 or the reconstruction of Bass, Ratcliff and Gretton in 1888. This fact is the best means of realising the change which has converted the family brewer of a past epoch, doing mainly a local trade, into the mammoth limited liability companies, with branch retail shops in the shape of tied houses all over the country, and exporting British beer over the world. This evolution of a giant Drink Trust is doubtless part of a general economic evolution, but it was largely aided by the action of the State in restricting competition, and quickened by the growing desire of the liquor sellers to limit their risk by realising a large part of their interest in hard cash. As Mr. Pratt points out ("Licensed Trade," p. 96), the process was hastened as soon as responsible Governments began to propose serious legislation. The company promotions, the absorptions, and the amalgamations of the last 20 years are so universal throughout the brewing and distilling trades as to show a general consensus of design in the adoption of the policy. Especially did the pace of the evolution quicken after the *Sharp* v. *Wakefield* decision in 1891. As has been often pointed out, that decision asserted no new principle. It merely reiterated the law on which the justices had acted in the reform movement of the 18th century, and which was asserted by Lord Brougham in the strongest terms in 1832. Though the full possibilities of the legal theory

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may have been obscured by the practical working of the Free Trade experiment between 1830 and 1870, the law was always clearly set out in the earliest editions of "Paterson" from 1872 onwards. It was admitted to be well known to the Trade by the Counsel to the Licensed Victuallers Association in 1882, and the judges in the *Sharp* v. *Wakefield* decision alluded to the principle, to which they gave effect, as one already well-known and established. But the decision in that case told a Trade secret to the world. The emphatic reassertion of the actual law gave a great impetus to the liquor sellers' defensive preparations. Mr. G. B. Wilson has shown that up to 1904 on the conversion of 237 companies the brewer vendors received the sum of £51,120,210 in hard cash, apart from consideration in shares, a sum increased by at least £11,000,000 by subsequent sales of debentures to the public. Including consideration paid to the vendors in the form of debentures and shares, they received on the flotation of 272 companies no less a sum than £99,222,221. It is clear that the brewer vendors as a body must have received from the public in hard cash the original capital sunk in the business. Dr. Johnson, when presiding at the sale of Thrale's brewery, said: "We are not here to sell a parcel of vats and boilers, but the possibility of growing rich beyond the dreams of avarice." What the brewers sold to the public was not the cost of the material structure or plant, but the capitalised monopoly values. These, as we have already seen, are not represented by original moneys sunk in the business, but are merely the price that would be paid for the chance of obtaining the high monopoly profits on the drinking of future years. If we could get at the original capital put into or inherited in the brewing trade, we should find, without doubt, that the brewers during all this company reorganisation have carried off in hard cash the equivalent of their original capital, while retaining control of the companies through the further consideration of ordinary shares allotted to them, which never represented anything but goodwill. When we are told that the dividends on the existing com-

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panies' shares are "very small," it must be remembered that, as the Americans say, dividends are largely a question of book-keeping. By watering of stock or manipulation of capital the 20 or 30 per cent. dividend of the old company becomes the 3 or 5 per cent. of the new.

One illustration may, perhaps, bring this point out. The Holt Brewery Company, Birmingham, was registered February 28th, 1887. The brewery was bought from the brewer vendor partly in cash and partly in shares. The amount paid in cash does not appear, but the shares allotted to the brewery vendor were £40,000 in face value, being 1,000 £10 5 per cent. preference shares and 3,000 £10 ordinary shares. The company was paying 20 per cent. when in 1896 it was reconstructed. The preference shareholders were paid off in cash at a premium of 50 per cent., or given an equally profitable opportunity to invest in the debenture stock of the new company. Each ordinary shareholder was given 3 £10 preference shares and 2 £10 ordinary shares in the new company. Thus the brewer vendor, who originally received in 1887 shares of the face value of £40,000, now found himself the possessor of shares whose face value was £150,000, *i.e.*, 9,000 5 per cent. preference £10 shares and 6,000 ordinary £10 shares in exchange for his 3,000 ordinary shares in the old company. He had also received £15,000 in cash or its equivalent. The company for the last four years has paid 5 per cent. on its ordinary shares, having previously and since 1896 paid 8 per cent. On an original allotment of £40,000 worth of shares, on which £15,000 has been repaid in hard cash, the holding of this brewer vendor is now receiving £7,500 a year. That may be called getting 5 per cent. after the capital manipulation, but it is really 30 per cent. on the money remaining in the holding.

A further point to note is that the liquor business has been recapitalised very largely on the basis of the inflated values that prevailed during the trade boom which set in from 1895. In many cases the over-capitalisation has been serious, and has already had to be met by drastic writing

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down of the paper values of the prospectus. Thus, to give a single illustration, Hoare & Co., whose share capital is now £1,554,000 in ordinary and preference shares, besides £800,000 in debentures, in 1904, to meet a deficiency shown on a revaluation of the properties, wiped off the whole of their preferred ordinary capital (£360,000) and £36,000 off the deferred ordinary shares, while at the same time writing £195,707 off the reserve fund and suspense account, leaving the reserve fund at present date £136,860. This over-capitalisation is, again, the explanation of some much-paraded small dividends.

During this period, then, of company reorganisation the original brewer vendor has very largely safeguarded his own position. It is impossible to make much of a case for the investor in brewery shares who has made his investment after the decision of *Sharp* v. *Wakefield* in 1891. Between that year and 1904 no less a sum than £91,110,541 worth of capital was issued or subscribed for in brewery companies, which during that time converted themselves into limited liability companies. Of this sum, above £56,631,000 was issued in the form of debentures. Every penny of that money was invested in the liquor trade after the law had been cleared up beyond the shadow of doubt. The British public is at liberty to go into a gamble in breweries or gold mines, if it pleases to run the racket. But in the case of the brewery investments there was never surely a clearer warning. Commenting on the *Sharp* v. *Wakefield* decision, the "Economist" said:—

> It must be distinctly understood that in future those who traffic in licenses do so at their own risk, and that if, for instance, brewery companies in spite of the judgment of the House of Lords choose to expend large sums in the acquisition of tied houses, they shall have no claim either to consideration or compensation if in the discretion of the magistrates the licenses are not renewed.

This only put into words the plain moral which any investor of any business capacity whatever, not to mention the competent legal advisers of the companies, could draw for himself from the decision. Moreover, any investor who chose to repent of his investment had, even after the Report of the Licensing Commission in 1899,

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the best of opportunities of selling out at the very height of the boom.

But this process of conversion did not exhaust the defensive resources of the liquor trade. The license, which they claimed as their property, was discovered to be subject to a legal flaw, and the continuity which was claimed for it did not exist. It terminated at recurring annual intervals and had to be regranted according to the discretion of the justices. The right remedy was obviously for the breweries to insure their licenses against the risk. This step was in fact taken immediately after the *Sharp* v. *Wakefield* decision in 1891. The Licenses Insurance Corporation and Guarantee Fund, Limited, was registered in November, 1890, and began work in 1891. The company stated in 1893 that it then insured £3,000,000 worth of licenses. The advertisements which used to appear in "Duncan's Brewery Manual" from 1897 to 1903 showed the progress of its work as follows:—

Volume of manual.	Total sum insured more than	Number of brewers protected upwards of	Insured houses in trouble.	Number of licenses opposed.	Insured for	Number of insured licenses refused.	Insured for
	£				£		£
1897 ...	12,000,000	400	847	448	330,100	92	61,305
1898 ...	25,000,000	500	1,308	642	516,689	127	90,999
1899 ...	30,000,000	600	2,180	861	812,268	164 8*	128,594 8,773
1900 ...	40,000,000	650	2,671	1,097	1,148,933	246	212,289
1901 ...	50,000,000	700	3,466	1,379	1,624,296	319	281,514
1902 ...	60,000,000	800	4,412	1,810	2,268,301	399	396,437

It is, unfortunately, the case that since the last mentioned year the company has thought it best to suspend the public announcement of the details of its progress. But if the monopoly values are not more than a hundred millions, it had obviously broken the back of its work by 1902.

* Forfeited.

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This rapid growth was rendered possible by the low rates offered to brewers who insured their tied house licenses *en bloc*, and there is a mutual brewers' class where the profits go to the insurers. Thus in 1904 this Corporation published a list of 50 country brewers who in the aggregate insured licenses for upwards of £10,000,000. It is obvious that these licenses were insured practically *en bloc*. The distribution of the houses over many licensing districts, of course, lessened the risk. Thus Benskin's Watford Brewery was shown by a report of the Chief Constable in 1903 to hold 201 licenses in the county of Herts, distributed over 12 licensing districts out of the 17 divisions in the county. It was, indeed, said at the time of the debates on the Bill of 1904 that insurance of licenses had become impossible. That was merely part of the debating case of the liquor trade, for cases occurred at the Licensing Meetings of 1904 where, for instance, in a district of Scarborough, admittedly overcrowded with licenses, and which had been definitely selected as an area of reduction, the brewer, who owned houses of a class that were likely to lose their licenses, was able to insure his licenses at a premium, increased it is true, but not imposing a charge higher than the maximum levy under the present Compensation Act. The feasibility of license insurance is shown by the speech of the present chairman of this company, Mr. Ruggles-Brise, who is also a director of Ind, Coope & Co. He said in 1902:—

> Our experience has been of great value to us and the Trade, and with its growth our company has developed ever increasing vigour, attaining to an income at the end of our first decade of six figures. . . . *We have been growing in knowledge, opportunities, and information; also in volume of business and income, and growing in the resources and general strength of our institution. The dangers to licensed property have also been increasing. Whereas the risks which the Company was established to undertake were at one time regarded by some as almost too insignificant for insurance, they are now so serious and obvious that it seems hardly possible to resist the protection we offer.* Combination is a powerful weapon and a strong defence, and no one can afford to refuse so valuable a shelter that is to be got so cheaply.
>
> Every year changes are taking place in the aspect of affairs, whether in view of the magistrates, or the action of the police, or in the general verdict of the public; but undoubtedly these changes

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require constant watching, and it is not the least part of the duties of this company to keep a vigilant eye upon, and apply its knowledge and experience to the Trade interests everywhere . . . . With so much danger and disquiet around us it is only right I should explain to you the strength of our position as a company. *However great the misfortunes of the trade might be, the consequence would not spell ruin to us, because by acting upon well-established principles of insurance, the business is maintained upon a sound footing,* through the exercise of, and the power we have of acting upon, forethought, vigilance and knowledge.

The Corporation has power to adjust the rates according to its experience, and according to the apparent risks in front of it. The value of our institution to owners of licensed property is, that it enables them to combine, and our duty is to see that contributions are adequate, and from the different parts of the country, fairly correspond to the risks in each particular district. Thus, involved in the science of our business, is the ability to form a true estimate of risks, and to differentiate risks, but I think you will see from the result of our ten years' work that our methods are sound, and that *we are capable of continuing these methods with sure results, to the benefit of our insured, and to the benefit of shareholders under all circumstances hereafter.*

Moreover, in spite of the Act of 1904, this company has pursued its prosperous career. Its 1895 dividend of 3 per cent. had risen in 1900 to 5 per cent., and was again increased to 6 per cent. in 1901, remaining at that figure to the present date. It doubtless continues to insure against the risk of refusal on the grounds of misconduct or deficient structure, which are, of course, not subject to compensation under the Act of 1904. Its premium income, which was £70,828 in 1900, when it insured £40,000,000 worth of licenses, is to-day £104,297, and as the rates must be presumably lower, the total covered by insurance must be much above 60 millions. Nor was this the only experiment of the kind. In the North-East of England, Newcastle, Sunderland, and Hartlepool brewers and others arranged a mutual insurance scheme. In cases of refusal of licenses the losses were pooled and the amounts recovered by levies on the members of the combine. It remains obvious that the liquor sellers, without State compulsion, can develop this system of license insurance, now that so large a proportion of the sum at risk is already covered, as soon as the need for the precaution arises again.

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Nor, again, did individual breweries neglect proper precautions in view of the uncertainties of their position. A large portion of their assets consisted in intangible monopoly values, or at least in a terminable security. It was common business prudence either to write down their assets year by year, or to establish reserve funds to counterbalance the chance of loss. Different companies adopted different methods. Some companies contented themselves merely with paying high dividends, giving to their shareholders the chance either of getting their capital back or of making their own reserves. The Portsmouth United Breweries will serve as a case in point. This company, registered in 1896 with an authorised share capital of £200,000, has paid 30 per cent. on its ordinary shares in each of the years 1904, 1905, and 1906, but its reserve funds stand only at £10,000. The Leicester Brewing and Malting Co. adopted a different expedient. After paying 15 per cent. from 1895 to 1900, it gave its shareholders a bonus of 50 per cent. on their shares by distributing among them a reserve fund of £50,000; it has paid 10 per cent. since that date. Other companies preferred rather to write down their properties. Thus, Whitbread & Co., with a nominal share capital of £2,289,000 and debentures of £2,000,000 in 1906, "continued their practice of making large allowances for bad debts and depreciations, the sum applied to this purpose being £149,142 in the current year"; this is in addition to a reserve fund of £290,000. The City of London Brewery, whose issued shares and stock are £1,501,570, with £800,000 in debentures, appropriated in 1906 £200,000 from their reserve of £300,000, together with £21,922 from freeholds and leaseholds, suspense account in reduction of the book value of their properties.

But the practice of piling up huge reserves is the more common mode of precaution. In December, 1907, the walls of London were placarded with the following advertisement:—

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PURSUANT TO AN ORDER OF THE HIGH COURT.

£6,000 £1 Ordinary Shares fully paid in Bass & Co., Ld., the world-renowned brewers, Burton-on-Trent.
Dividends on the ordinary capital for the last two years 14 per cent. per annum free of income tax.
Reserve funds £1,400,000
Ordinary share capital £1,360,000
Messrs. Edwin Fox and Bousfield will sell the above by auction.

The capital of Bass, Ratcliff & Gretton is, in fact, £1,920,000 in debenture stock and £1,360,000 in 5 per cent. preference and the same in ordinary stock. The reserve in 1906 was £1,370,000, a sum equal to either the ordinary or preference stock, and, besides this sum, there was spent in that year £178,867 in repairs and renewals, depreciation, bad and doubtful debts, and depreciation of investments.

Guinness's reserves are enormous. The ordinary stock of this company is £2,500,000, with £2,000,000 6 per cent. preference stock and £1,500,000 5 per cent. debenture stock. For the last 10 years its dividends and bonuses have averaged 19 7-10 per cent. on the ordinary. Its reserves, all laid by since 1887, are as follows:—

	£
Reserve fund	1,000,000
Reserve for capital expenditure and contingencies	1,470,000
Depreciation fund	437,952
Total reserve funds	£2,907,952

Sir Henry Kimber, M.P., however, in an answer to my arguments published in the Press, contends that Bass & Co., who own few tied houses, and Guinness', who own none at all, will "not be badly hit," or will be "totally unaffected" by the Time Limit—a point which indicates that the brewers' panic over this proposal, if genuine, is greatly exaggerated; and that the Time Limit will not pre-

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vent brewers from making their reasonable profits on their trade.

But it is not only the monster companies which have properly adopted this policy. Indeed, as is shown below, some of the quite small companies are better protected by reserves than their over-capitalised competitors. The following is a list of a few companies, showing their capitals, reserves, and average dividends during the past 10 years:—

Name of Firm and Place of Business.	Capital Issued.			Reserves.	Average Dividends, Including Bonus, for last 10 years.
	Ordinary Shares or Stock.	Preference Shares or Stock.	Debentures.		
	£	£	£	£	Per cent.
Threlfall's (Liverpool)	450,000	375,000	1,000,000	480,000	$18\frac{7}{10}$
Walker (Peter) & Son (Liverpool) ...	1,000,000	1,000,000	1,000,000	475,000	10 (for 2 years).
Mitchells & Butter (Birmingham) ..	702,100	333,800	577,955	430,000	19
Cameron (J. W.) & Co. (West Hartlepool)	478,530	300,000	210,000	252,500	$12\frac{1}{2}$
Parker's (Burslem)...	500,000	205,000	205,000	183,000	$10\frac{11}{20}$
Shepstone (James) & Sons (Nottingham)	350,000	180,000	109,760	170,000	$11\frac{1}{2}$ (for 5 years).
Reid (W. B.) & Co. (Newcastle-on-Tyne)	449,000	Nil.	199,860	165,000	$11\frac{9}{10}$
Phipps (P.) & Co. (Northampton) ...	660,285	175,000	452,925	160,000	$15\frac{3}{10}$
Ely Brewery Co. (Cardiff)... ...	20,000	Nil.	34,784	50,000	20 (for 6 years).
Birkenhead Brewery	166,792	Nil.	144,905	62,280	$18\frac{1}{2}$
Bristol Brewery ...	144,000	280,000	320,000	213,223	$17\frac{7}{10}$
Nalder & Collyers (Croydon) ...	200,000	140,000	130,000	140,964	$21\frac{1}{2}$
Oakhill Brewery (Bristol)... ...	70,000	65,000	60,000	90,049	$19\frac{1}{10}$
Struts Brewery Co. (Sheffield) ...	Nil.	30,000	50,000	24,000	19

The above-quoted instances show how the companies formed during the last 20 years have in many cases taken the proper steps, whether by manipulation of capital,

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insurance of licenses, or the accumulation of reserves, to protect and safeguard their interests. What has been done in the case of many companies could have been done, and ought to have been done, in any properly managed concern.

We are now ready to summarise the argument on the time limit. We have seen the absence of validity which attaches to the Act of 1904 from the circumstances under which it was passed; that explicit assurances were given at the time of its passing that the Act did not bar the way to reform, and would not be regarded as a final settlement; that the rights conceded under the Act are so limited and anomalous that they are extinguishable at a maximum of 10 years' purchase of a portion of the profits at the expense primarily of the Trade itself; that the liquor trade has abandoned its claim for compensation against the public, but contents itself with an inter-trade arrangement of insurance to mitigate the losses of individuals; that before the Act of 1904 there was nothing but an expectation that the license would be renewed from time to time, and since its passing there has been the expectation that the present licensing system would continue, coupled with the plainest warning of the extreme probability that it would be fundamentally recast; that 17 years ago the legal position of the license-holder was cleared up beyond the possibility of dispute; that the trade has utilised this long period of grace by defensive preparations, which have largely safeguarded its position, and could have safeguarded it fully had its shareholders been content with a reasonable return on their money. It follows, then, that the sole terms that need be considered before the introduction of the model licensing system are such an additional interval by way of time notice as will leave the liquor sellers a still further space to use the high profits of their monopoly, which they will continue to enjoy, for the purpose of mitigating hardships to individuals. If it is asked why should a proposal, which would at the moment be an injustice, cease to be an injustice with the

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mere lapse of time, the answer is simple. The claim of the liquor trade is essentially one of expectation. As Lord Burton, Mr. Whitbread, and the chairman of the Brewers' Society say in their manifesto of Jan. 27, 1908, on the time limit: "That is what we have always relied on; not the right to renewal . . . . we relied on the expectation of renewal." Their expectation, then, was that the present licensing system would continue. But an expectation can be terminated at any time by notice. All that is required is such a fair notice as will leave time for reasonable arrangements to be made. Is it, then, seriously contended that any more liberal provision need be made than the additional seven years on which, as we have seen, Lord Peel said in 1904 "that he was prepared to fall back" in default of the rejection of the Archbishop's too munificent compromise? If a seven years' time limit, which under an Act passing in 1908 would expire in 1916, were conceded, it must be remembered that the liquor trade would have had 12 years since the passing of the Act of 1904, or 17 years since the Report of the Licensing Commission, and 25 years since the decision in *Sharp* v. *Wakefield*. Can anyone deny that this additional interval is a reasonable time for the liquor trade to set their house in order?

For, in justice to the nation, it is impossible to be unduly liberal to this Trade. If the introduction of a new licensing system is really to prove an emancipation from great and serious evils, it is wrong to postpone that deliverance too long. There is more than the financial interest of a money-making concern at stake; there are the lives and happiness and character of the men and women who, in all human probability, will go down during the interval. And, amidst all the strident and loud-voiced clamour of the liquor sellers, it is well to remember that there is compensation due from the liquor trade itself for damage done to the community. If the liquor trade on grounds of equitable consideration is to demand the uttermost farthing for itself, on the same grounds of equity the State may

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call on the liquor trade to make good some of the damages which directly and indirectly it inflicts upon the nation. In the United States and Canada the Civil Damage Laws enable persons who have suffered from the drunkenness or drink-caused crime of third parties to recover damages from any liquor seller who may be proved to have caused the intoxication. In England we have no such legal rights. On both sides we are in the realm of the equities of the case. Yet ratepayers and taxpayers, burdened with gaols and workhouses and lunatic asylums and inebriate homes and the extra expenses of police, have their claim as against the drink capitalists, whose accumulated capitals and high dividends are won at the cost of so much social misery. It is often said that temperance reformers are animated by hostility to the liquor sellers themselves rather than by a desire to abolish the evils of drinking. The charge is untrue. Admirable in their private capacity as brewers and distillers may be—no one would question their individual qualities or virtues—they have not yet solved the problem how to carry on the trade by which they amass their wealth without its entailing upon the country physical deterioration, industrial inefficiency, additional sickness and mortality, and, in fact, without its being a nuisance to the nation. We cannot afford, when we think of all that is involved, in a weak spirit of indulgence to individuals, to postpone beyond what is necessary the hour of deliverance. The best reparation which the liquor trade can make to the community for countless evils is a willingness to acquiesce in the introduction of reforms without inordinate postponement.

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CHAPTER IV.

COMPENSATION AND THE SLAVE TRADE.

We are frequently told we should follow the precedent of compensation set in the abolition of slavery in 1833. The case is not in the least on all fours, as however inhuman and unintelligible it seems to-day, the Courts had definitely held that negro slaves were merchandise. The Courts have always declared that there was no property in a license. The precedent of the abolition of the slave trade in 1807 is much more to the point, as the real problem is to discover what terms are fair in the case of interference with a practice of trading or for the loss of the prospective profits on a trade. Nothing could have been stronger than the case of the slave traders on the ground of public guarantee. English Sovereigns, like Queen Elizabeth, had invested capital in slave trading ventures. No English ruler has yet gone into the liquor industry; Cromwell's participation in it seems to be a libel. The nation fought two wars in the 18th century to secure a right to engage in the traffic. Indeed, the Englishman's right to engage in the slave trade was based on solemn treaties and recorded in the international law of Europe. Nor was the moral sentiment of the country outraged by the trade. It was often defended as a means of spreading Christianity, and Boswell said that its abolition "would shut the gates of mercy on mankind."

Yet in 1807, when the slave trade was suppressed, not a penny of compensation was granted. Those who had invested their capital in this trade on the faith of public guarantees far stronger than the liquor trade can quote in favour of their trade were simply told that they might

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have known what was coming. One speaker in the debate in the House of Commons, Sir John Doyle, declared:—

It is said that the petitioners are taken by surprise. Why, they must have been asleep for the last twenty years. If they have laid out money within that time, they must have been wretched speculators.

Nor was the industry in those early days of British commerce either unimportant in itself or without the support of allied trades. Lord Howick said that the tonnage engaged in the trade with Africa was not quite the 1-52 part of the whole tonnage employed in the export trade, and the seamen employed not quite 1-23 of the seamen employed in general trade. The proportion of capital was on an average of 10 years preceding 1800 1-24 of the whole capital employed in the export trade. There were petitions from capitalists or merchants interested in the West Indies, who declared that the enterprises, which they had been induced to start on the assurances and encouragement of successive Governments, would be ruined by suppression of the trade which supplied them with labour.

A petition from "planters, merchants, mortgagees, and others interested in the British W. India Colonies" ran as follows:—

The trade to Africa for labourers has been for a great number of years sanctioned, approved and encouraged by royal charters and proclamations and by repeated acts of the British legislature which declare in the strongest terms a most anxious desire to regulate, extend and secure and preserve this trade pronounced by Parliament to be highly advantageous to Great Britain and necessary for supplying her Colonies with a sufficient number of negroes; that the British W. India Colonies were settled and had ever been cultivated under the solemn faith of these charters and proclamations and of these laws which have confirmed the West India Colonists in the most perfect assurance and confidence that they should continue to receive supplies of negroes from Africa; and that the cultivation of these Colonies cannot be carried on without supplies of African negroes.

A petition from "planters, merchants, and others of the city of Glasgow connected with the Island of Trinidad" said:—

The petitioners were induced to invest their capital in settling the Island of Trinidad upon the faith of the assurances held out by His

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Majesty's Government that they would be allowed to clear and cultivate the property in the manner usually practised in the West Indies—by the labour of negro slaves; that by the Bill now pending the importation of negroes into this new colony is prohibited; that . . . . the interest of the petitioners will be most materially affected and the capital sunk in the improvement of the lands will be greatly diminished.

Two other points are worth notice in this historical precedent. In the first place, the State had actually at a previous date recognised the slave trader's right to be compensated for the loss of his trade. Earlier in that same reign an Act had been passed to regulate and introduce restrictions into the management of the slave trade, and by the 15th section of that Act it was provided that to meet any losses of merchants or shipowners engaged in the trade three Commissioners should be appointed to investigate claims as "to any losses which may be sustained in consequence of this Act" (28 George III., Cap. 54, § 15). They were to report to Parliament as to what compensation seemed reasonable.

The spokesmen of the slave trade in the House of Commons by no means ignored the importance of this point in appealing for consideration for the innocent investor; for the widow and the orphan, whose all was bound up in the trade; for the allied traders, whose interests would indirectly suffer; and for the Colonies, which were "faced with ruin"; and for the commercial prosperity of the country, which would feel the shock of a confiscatory measure. It is still more striking to find that the chief spokesman of the slave trade in the House of Commons saw in the action for which Wilberforce had pleaded a precedent which would certainly carry the State to the length of suppressing the alehouses of the country. Perhaps even a century after the event his prediction may be worth attention, for the statesmen of the day adopted bold and vigorous measures, and suppressed the trade without any interval of notice and without a penny of compensation. The speech of Mr. Hibbert ran as follows:—

"But," say they, "there is connected with the Slave Trade much

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abuse and much inhumanity, and at all events we will wash our hands of any share in that; we will have nothing to do with that which is either the offspring or the parent of vice." Gentlemen should consider how far they would follow this principle and whither it would lead them. It would certainly go the length of suppressing the licensing of alehouses. . . . . Can the mischief with which these are connected in society be doubted? . . . I could show at no great distance from the Metropolis an industrious mother with six or eight children, their countenances pale, their limbs emaciated and their bodies swollen with famine . . . . while the father of this family . . . . is taking what is called "a plunge" at the neighbouring alehouse, spending the fruits of the week's labour and mortgaging those of another. . . . . This is not a fictitious or uncommon case, yet our Philanthropists do not make it the theme of declamation or the object of reform.

Our ancestors distinguished between the trade and its abuses; that they tolerated, these they reprobated. . . . It is vain for us to say that we are not completely at issue with our ancestors upon this question.

Does the House adopt the sentiments which I heard with the utmost surprise from Sir V. Francis? . . . The Hon. Baronet thus puts out of the protection of the Law a large class of British subjects who can plead a long series of ancient statutes as their authority, and whose claim is precisely founded on the reversal of these statutes. That is an opinion repugnant to every principle of justice, humanity, and sound policy. One ill effect that must result from the Bill thus unqualified we shall surely experience in the discouragement it will cast upon the commercial spirit of the country. What have merchant adventurers to trust to but written laws? They cannot call into question whether the legislators who passed those laws were more or less well informed and had or had not the fullest lights upon the subject. . . . . In this reign two Acts have been passed encouraging loans, one from British subjects and the other from foreign, for the cultivation of the Colonies, and yet in this very reign the security of these who lent money in faith of these Acts is without compensation to be violated. It may be objected to me when I attempted to introduce the question of compensation that it was not the usage of Parliament in similar great public institutions to grant compensation. But there is the Act of 28 George III., cap. 54, which stares us in the face in direct contradiction to this assertion; that Act relates to the regulation of the Slave Trade on the coast of Africa. . . . In the 15th sect. of the Act I have mentioned there is a large and liberal provision of compensation not merely for property taken away but for loss to be sustained.

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PART II.—LOCAL OPTION.

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PART II.—LOCAL OPTION.

CHAPTER I.

THE PRESENT POSITION OF THE QUESTION.

It is, of course, not necessary to wait for the termination of the time limit before securing a number of licensing reforms as to the value of which there is very general agreement. The State has always reserved power to modify at any time the conditions on which the existing licenses are held. It is not necessary here to argue the case for shorter hours of sale, Sunday closing, the restoration of magisterial discretion, the control of clubs, the exclusion of children from public-houses, closing on election days, or other reforms, together with a long list of the detailed recommendations of the Licensing Commission, which are not even yet passed into law. These measures, some of which are of very real urgency, can be secured at once. Nor is there any need to contemplate delay for a country such as Scotland, where no vested interest has ever been recognised. But in England and Wales it would be difficult, though not absolutely impossible, to work a system of Local Option subject to a compensation scheme. It would involve at least the recognition and utilisation of the dangerous principle of compensation, with which it is better to have no compromising entanglements. The only thing to be done with compensation is to wind up the system at the earliest possible date, and then it becomes possible to introduce a system of Local Option in effective operation, free from the embarrassment of any vested interest.

But two qualifications must be made before assenting to this delay in the system's coming into operation. In the

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first place, Local Option over all new licenses can be established at once. Where there is no complication of vested interest there is no ground for refusing an immediate introduction of this reform. Thus the memorandum circulated by the Scottish Licensed Trade Defence Association against the second reading of the Scottish Local Veto Bill in the Session of 1907 admitted frankly that "if compensation be given licensees could have no reasonable objection to the Bill." It is obvious that there could be no objection when no vested interest at all has yet been brought into existence. The new license is supposed to be granted for the convenience of the locality. It is surely fair that the locality should have an opportunity of saying for itself, whether it is for its convenience or not, that this doubtful boon should be conferred upon it. At the present time constant vigilance and expense are required of the objectors to new licenses at the licensing meetings, and there is no guarantee that the Licensing Authority correctly interprets the desire of the community. Applications for these licenses are repeated year after year with the assiduity of the importunate widow. Though only some 50 new licenses, together with about 40 renewals, are now granted a year, and the exaction of the charge for monopoly value has to some extent lessened the demand, it is of urgent and immediate importance to concede to new and growing districts the chance of keeping the area free from the drink traffic altogether, if they so wish it.

Secondly, if assent is required to some delay in the period at which Local Option over existing licenses is to become operative, it is essential to enact at once the provisions that are eventually to come into force. Local Option over new licenses appears from the mere mention of the figures to be a reform of narrow compass, though it is worth having. If, however, local option is to be established over new licenses, it follows logically that it should be established for all licenses at the close of the time limit. If local option is fair and right over new licenses, how can it be denied when all licenses shall have become

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new? But it is indispensable that the provision for eventual local option over all licenses should now be secured in the coming Bill. The time limit, as we have seen, is meant to lead up to a new departure with a new licensing system. It is necessary to provide clearly in the coming Bill the conditions of this new departure. If local option were left over now, in the hope of its being dealt with subsequently by the legislature, it would infallibly be urged that Parliament deliberately passed this measure over, and that Temperance Reformers decided that it was not worth while to press it, and that the new model system ought to have a fair trial in the form which was actually devised by the legislature. When once Parliament has definitely prescribed the conditions of the new licensing system of the future, it will be practically impossible to induce the legislature to revise it during the period of the time limit. Are we, then, to wait till after the end of the time limit before asking Parliament to enact Local Option? Nothing will persuade Temperance Reformers to acquiesce in so fatal a postponement. They would regard such action on their part as a betrayal by them of their cause. It is clear that if this delay occurred the liquor trade would claim a still further period of grace before the extra restriction was imposed. But, indeed, the present is the real chance of carrying Local Option, and the danger of postponement is incalculable.

We are at once faced, however, with the suggestions of political cowardice. Was not Local Option, it will be said, the cause of the Liberal defeat in the General Election of 1895? Did not Sir William Harcourt lose his seat at Derby? On the latter point the testimony of Sir William Harcourt's son must be conclusive. Speaking on October 10, 1906, Mr. L. V. Harcourt, M.P., said of his father's Local Control Bill of 1895:—

> That Bill was never carried, because the Liberal party went to pieces; but do not let anyone attempt to persuade you that the Liberal party went to pieces because of that Bill. The time has not yet come to write the history of that cataclysm, but when it does come, it will not be discovered that Temperance was its cause.

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It was believed by many people that the Local Control Bill had a share—some thought a large share—in my father's defeat at Derby. I was there all the time, and I know the circumstances at first hand, and I can tell you that it had nothing to do with it. It was due to local and transitory causes.

It is hardly worth while now to recall the concatenation of influences that led up to the Liberal defeat of 1895. The retirement of Mr. Gladstone, disunion in the Liberal Cabinet, doubts about Home Rule, the rise of an Independent Labour Party, middle-class dread of Socialistic legislation, the irritation of employers, the hostility of the Church of England, and a spell of bad trade were among the influences that induced the country to turn to the powerful coalition under Lord Salisbury and Mr. Chamberlain. These, taken together, were much more potent than any attack by the liquor trade. But even if this analysis is wrong, and even if Mr. Harcourt is mistaken about the explanation of his father's defeat, a cause may still be right, though it be beaten at a General Election. It would speak little for the honour and consistency of politicians in England if it were understood that they were prepared to drop at once any reform on which its opponents, helped perhaps by some unfavourable conjuncture of irrelevant circumstances, were able to inflict a defeat at the polls. At all events that is not the view of the present Liberal majority, for on April 10, 1906, Mr. Leif Jones moved in the House of Commons:

That this House notes with satisfaction the successful working of the Local Option Laws in the Colonies, and approves the principle on which those laws are based, namely: that the people ought to possess the power through a vote of the local electors to protect themselves against the admitted evils of the liquor traffic.

The resolution was carried by a vote of 271 to 44, a majority of 227 thus reasserting the principle of Local Option. The Prime Minister voted for this declaration in entire consistency with his past record. He declared that he "would gladly and willingly vote for it, as he had voted times out of number for similar resolutions before." His votes for the last 30 years fully justify his statement. He voted thrice in the seventies for the Permissive Bill,

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thrice in the eighties for Sir Wilfrid Lawson's Local Option resolutions, and since that date for Welsh or Scottish Local Veto Bills in 1891, 1893, and 1905.

On April 13th, 1905, he replied to a Scotch Temperance Deputation at the House of Commons:—

> With regard to the Local Veto or Local Option Bill, which was still alive in the hands of Mr. Craig, they had correctly said, he thought, that both Mr. Asquith and himself had been strong and convinced supporters of that measure for a long time.
>
> The promoters of that way of dealing with the matter had exhibited a most praiseworthy degree of patience, as well as of energy, and it was extraordinary how they had maintained their pertinacity, and how the general principle had borne the brunt of all the experiences they had gone through . . . . They were friends of the principle that the great, the best, and as they ought to be the supreme judges in the matter, were the inhabitants of the district who were affected by the liquor traffic. That was the principle they must bear in mind.

The Prime Minister's record on this question has been one of undaunted consistency and steadfast fidelity to a great reform.

It is sometimes said that the question was not sufficiently before the country at the last General Election. Yet the passing of the Act of 1904 influenced the minds of a large section of the electorate and undoubtedly turned votes. It is not a little noteworthy that most of the English Unionists who prominently advocated the Act of 1904 in the House of Commons were defeated at the General Election. Many Unionists in the country were of the opinion of Sir Edward Clarke, who declared that he did not like the close association between the Unionist party and the liquor trade. Nor was the question far away from practical politics, for on May 5, 1905, the Scottish Local Veto Bill was before the House of Commons on its second reading, and 22 members of the present Administration, headed by the Prime Minister, voted in its favour. The present Lord Chancellor, who then sat in the House of Commons, bluntly declared, in the course of the debate, that "he hoped, whatever Government might be returned at the next election, Scotland would determine that they would not be further humbugged in this matter." The

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present pledges of the members of the Liberal and Labour majority in the House of Commons are a sufficient proof that the question was before the electors as one of the main reforms to be secured. Nor had the liquor trade any illusions as to what was coming for them.

The following extract is taken from a manifesto issued by the National Trade Defence Association on the eve of the General Election, and published in "The Morning Advertiser" on Dec. 28, 1905:—

Licensed Traders.—No General Election has ever meant so much to you as this.

If you do not exert yourself now you will have to face:—

1. Local veto.
2. Time limit.
3. The revival of the so-called magisterial discretion, with its tyranny of reduction without compensation.
4. Repeal, reversal, or amendment of the Licensing Act, 1904; and
5. Sunday closing.

There is no sensationalism about this—no exaggeration.

License Holders.—The General Election may turn on the question of free trade or fair trade. What you have to uphold is your trade. Keep the great trade question ever before you.

Interest your customers in your case and in that of your adopted candidate wherever and whenever the common interests of the public and the publican converge, and show your sympathy with your customers in those questions in which they are interested.

In conclusion, self-preservation is the first law of nature. No local veto! No prohibition! No confiscation! No increased license duties! No time limit! No Sunday closing!

Still the same old cries—Freedom with sobriety! England free and England sober!

The words of the wise are treasured for the construction of Licensing Bills to come; and we have now therefore to attempt a restatement of the case for the introduction of the policy of No-License.

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CHAPTER II.

THE NO-LICENSE EXPERIMENTS OF GREAT BRITAIN.

THE case for Local Option is often defended or attacked by means of a series of thin and unsubstantial arguments of an abstract or academic character. It may be well to start from a small but solid basis of fact.

In 1868 the Convocation of Canterbury appointed a Committee on Intemperance. Archdeacon Sandford, the Chairman of that Committee, called for information as to the absence of liquor shops from particular localities, and as to the results observed in such no-license areas. Information was furnished by the County constabulary as to the "number of parishes, townships and hamlets in the Province of Canterbury without either public-house or beershop." The Report of this Committee appended a list of all such places reported to them, and commented on the facts which they elicited in these words:—

> Few, it may be believed, are cognizant of the fact which has been elicited by the present inquiry, that there are at this time within the province of Canterbury upwards of one thousand parishes in which there is neither public-house nor beershop, and where, in consequence of the absence of these inducements to crime and pauperism, according to the evidence before the Committee, the intelligence, morality and comfort of the people are such as the friends of Temperance would have anticipated.

NO LICENSE IN RURAL DISTRICTS.

It appeared, however, from an examination of the lists that the full number of districts in the Province of Canterbury was 1,476, with an aggregate population of 231,988. There were other districts in the Province of York, comprising the Northern Counties, with a population at that

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date of about a third of the whole of England; but the number of these districts was not ascertained.

Attention has been recently drawn again to this matter by Mr. Leif Jones, M.P., who obtained on the 26th of August, 1907, a list of all the civil parishes in rural districts in England and Wales, where no on-licenses were issued. This was a Government return, granted by the Home Office, and based on returns from the Chief Constables of each county. A summary showing the results is printed in an appendix. A no-license map of Lincolnshire is added, not because it has most prohibition areas—for the counties of Northumberland, Hereford, Cardigan and Anglesea have a greater percentage of population living in no-license territory—but because it is an average county, which no one imagines to be in the grip of fanatical teetotallers. Yet 45 per cent. of the number of its rural parishes, and about one-fifth of their total population in this county, is under no-license.

The return is incomplete, as it omits all reference to towns and urban districts, in which there are many no-license areas besides. Returns from the urban districts were too difficult to obtain.

The fact which emerges is that in 1907 there were 3,903 civil parishes, in which no on-licences were issued, out of a total of 12,995 civil parishes in rural districts in England and Wales. Out of a total population of 7,469,488 persons living in rural districts in England and Wales an aggregate population of 575,219 persons were living in these 3,903 no-license parishes.

The progress made since 1869 is noteworthy, all the more so as the list presented to the Convocation of Canterbury included "townships and hamlets," while the Home Office list of 1907 is limited to civil parishes proper. It is quite possible that the Home Office Return reveals an unsuspected influence, making for that arrest of the increase in the number of licenses which has marked the last thirty years. Some of these no-license parishes are of small size; though if their position is studied in a map

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it will be seen that small no-license parishes are often contiguous to other no-license parishes, and form part of a considerable no-license tract of country. There are, however, some benches, which in the past have been willing to grant licenses in any hamlet, however small its size. The main explanation of these no-license areas lies, of course, in the landowner's power to prohibit licensed premises on his estate. The more frequent use of this landowner's option in recent years must account for the increased number of no-license parishes in 1907. That has done something to balance the grant of new licenses, which has been going on year by year in the growing areas of population. It is almost equally striking to find how many of the parishes which were no-license in 1869 remain in the same condition to-day. Thus of the 120 Lincolnshire parishes in the 1869 list the names of 90 recur in the Home Office Return. It is not merely the fact that these parishes are without public-houses to-day. They have managed to exist under no-license for at least forty years.

Similarly the same kind of evidence comes from Scotland, though the figures here have not yet been brought quite up to date. Two Parliamentary returns,* issued in 1875 and 1893, give the number of parishes in Scotland not being Royal or Parliamentary burghs, "in which there are no licensed houses." These in 1871 numbered 147, with a population of 100,393. According to the late Mr. Peter McLagan's return of 1893 they had risen twenty years later to 195 in number, with a population of 133,982, while the total population of rural parishes in Scotland, outside of Royal and Parliamentary burghs, which had licensed houses in 1891, was 1,970,576. The most noticeable feature of this Scottish return as compared with the English is the much larger average size of the no-license parishes. Out of the 195 no-license parishes in 1891 there were 107 such parishes with populations of over 500, of which 27 had more than 1,000 inhabitans, while in Ross

* No. 426 of 1875, and No. 236 of 1893.

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and Cromarty the no-license parish of Bawas had 5,699 inhabitants, and the no-license parish of Lochs had a population of 6,432. In the English return there is only one no-license parish with a population rising to 2,000, the mining village of Throckley, in Northumberland.

NO LICENSE UNDER URBAN CONDITIONS.

It is, perhaps, the knowledge of these rural no-license areas which has given some currency to a popular delusion that the policy of no-license is not one for the cities. But there are many no-license experiments under urban conditions in the United Kingdom. No complete list or figures relating to the urban areas can be given. But a few instances at random can be mentioned. In Liverpool there are large areas in Toxteth Park, Kensington Fields, and elsewhere, with an aggregate population of about 94,000, without a single public-house. There are the large building estates in London, belonging to the Artisans, Labourers and General Dwellings Company, and housing a population of over 40,000, on which a policy of no-license is maintained. In Glasgow there is an extensive prohibition area on the north bank of the Clyde. This is the Scotstoun estate, which extends to 100 acres, and includes Scotstoun, a large portion of the burgh of Partick, and part of the west end of the City of Glasgow, with a population of 20,000. On two other adjacent estates the same policy is maintained, the estates of Jordanhill and Kelvinside, with a population of over 10,000. In South Govan there is a working-class ward, with a population of over 6,000, with no public-house. It is interesting to note that in this ward there is not a police case per week on the average, and the apprehensions are only 7 per 1,000; while in the other wards where public-houses exist there are 76 apprehensions per 1,000. The death-rate over the burgh averaged in 1906 between 17 and 18 per 1,000, while in the seventh ward, the no-license area, it was only a third of the ratio. Grangemouth, where the docks of the

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Caledonian Railway are situated, is another good Scottish instance. Wards No. 2 and 3, containing a population of about 7,000, are without any public-houses owing to the action of the landowner. The west ward of Goole, with a population of 4,200, two-thirds members of the working class, living in houses rented at about 6s. a week, has been without a public-house for sixteen years. In Grimsby Lord Heneage prohibits licensed premises on an urban estate of his, forming part of the parish of Weelsby and part of the parish of Clee. The population is about 18,500, two-thirds belonging to the working class, having grown up in the last twenty-five years, during which time no licensed premises have been allowed on the area. In Tredegar, Monmouthshire, which has a population of about 19,000, there is a no-license ward, Georgetown, containing a working-class population of from 6,000 to 7,000. There is Roe Green, in Lancashire, a colliery village with cottages built round the three sides of a triangular green, which has been a no-license district for over thirty years. The population, consisting of artisans, colliers, town workers, amounts to about 800. Bessbrook, near Newry, in Ireland, where the large linen works of Messrs. Richardson were situated, and West Bridgeford, an outlying district of the city of Nottingham, can also be quoted. One of the most striking cases is to be found in the City of Newcastle. In the north-east of the city, in the Jesmond and Heaton wards, which contain a population now amounting to about 45,000 inhabitants, the licenses have been restricted by the conditions imposed by the ground landlords. The wards are not entirely clear of licensed premises, but in one area, with a population of over 30,000, there is only one fully-licensed house and six off-licenses. At the Licensing Sessions of 1907 an application was made for the grant of a new license in West Jesmond. The applicant said there were 1,078 houses and flats surrounding the site. He said that the site was the only site in the area which was free from restrictions prohibiting the sale of alcoholic liquors thereon. The application was opposed

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by 70 out of 100 of the property owners in the area, the aggregate value of the property owned by them being £120,000. These opponents had bought their houses to be out of the way of licensed premises in what is practically a new town. Seventy of the opponents were in court prepared to give evidence against the grant of the license. These details are of interest, because the Chairman of the Bench in declining the grant laid down a principle of more general application.

"This," he said, "is an experiment in a new, large, populous, and respectable neighbourhood to do without a licensed house. In the opinion of the magistrates this experiment ought to be encouraged, and therefore we decline to grant the application."

Do we not discern in these rural and urban experiments in England the next step forward in Temperance Reform? Reduction of the excessive number of licenses has its uses within limits. But is it not clear that the experiment of no-license can be tried and maintained with success, if the Legislature will only give to the people a fair chance? The sole ground on which the opposition to Local Option really rests is the assumed necessity that the sale of liquor must be licensed in every parish, hamlet, or ward, however small. It is the underlying theory of the opposition that, as the thinkers of a former day would have said, it is the natural and inalienable right of, say, every twenty to fifty adults to have within easy reach of them a shop to supply them with what they call "reasonable refreshment of an alcoholic kind." The liquor trade, in Mr. Pratt's words, must be "recognised as indispensable." * Yet our licensing laws are so strangely anomalous that this assumed necessity for the omnipresence of the liquor-traffic breaks down even in the United Kingdom. Half-a-million of people at least in the country districts of England, over a hundred thousand in the country districts of Scotland, and a large number in the towns of Great Britain, manage to perform the incredible feat of living all their lives without a licensed house round the corner. It

* "The Licensed Trade," p. 3.

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is idle to say that this interference with natural alcoholic liberty will never be tolerated in England. The thing is done under our eyes.

This right of the landowner, of course, rests on an intelligible basis. The liquor-traffic is financially a disadvantage to his estate. It demoralises the inhabitants, and the law concedes to him a right of self-protection against a dangerous trade. But here, as so often in England, property is better safe-guarded than human beings. Why may not the inhabitants themselves have a similar power of self-protection not only for their property but for their homes and families? It was this ground which Mr. Gladstone singled out as the basis of the case in the last speech which as Prime Minister in 1893 he made on this question. He said:—

> I give my adhesion to the doctrine that it is the just right of the population to exercise, under fair conditions, that control in respect to the granting of licenses for the sale of liquor by retail, which has hitherto rested without dispute in the hands of the proprietors of the soil. I do not understand how it is possible to contest that proposition. I do not understand how anyone can say that it is just that an individual who happens perhaps to have purchased a large estate should hold in his own hands without responsibility to anyone the absolute decision of this great question on the negative side, and yet those who have a far more direct, more extended, and more profound and vital interest in the matter, the population who are upon the ground, perhaps for generations, and who mean in the main there to continue, should be excluded from a voice in that great question.

THE "UNDOUBTED SUCCESS" OF THESE EXPERIMENTS.

The operation of the landowner's veto deserves notice from another standpoint. The Final Report of the Licensing Commission (p. 274) speaks of the "undoubted success of experiments in local prohibition by ground landlords." Yet the landowner's option acts in a way which *à priori* would appear best calculated to provoke resentment. The right of interference is left to the will, or it may be, to the arbitrary caprice of the landowner. While retaining their own cellars, these landowners may

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act from motives of paternal consideration for the evils of intemperance among what they may term "the lower orders"; or they may be suspected of taking a stern view of the connection between drink and the social mischiefs of poaching. These districts, according to the theory of the opponents, ought to be like the Needy Knifegrinder, groaning under the teetotal tyranny of the landowners. But they appear to be so spiritless that never a groan is uttered. They acquiesce so contentedly in their oppression that nobody has ever heard of their existence. There are no public meetings of protest and no questions in Parliament. On the contrary, if a benevolent applicant for a license comes forward to break their yoke and restore their freedom, the inhabitants rise against the application with the stubborn and determined opposition which has been shown in the licensing meetings of Grimsby, Goole, or Jesmond. Mr. Cameron Corbett, M.P., gives his testimony to the acquiescence of the residents on the St. Germans, Eltham Park, Dounshall and Mawfield estates.

"On my estates," he says, "I have some 30,000 people living under my own Prohibition Law. Now, what has been the result? There has never been a meeting held against it, and never a resolution passed against it by the smallest committee in the smallest back parlour. Never has one of my agents communicated to me the slightest indication that he had found any trace whatever of popular discontent with such a system."

Surely it follows that if the system can be maintained under conditions which may be represented as arbitrary, there would be no real difficulty in its enforcement if it had been adopted after full discussion by the vote of the residents themselves.

The explanation of this acquiescence, which is so inexplicable on the theory of our opponents, is that where the experiment is actually tried the results justify it. The testimonies to its success are continuous. Fifty years ago Mr. Charles Buxton, M.P., in an article in the *North British Review*, which is still remembered (February, 1855), based his proposal of conferring a veto on the rate-

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payers of a parish upon the success of the landowner's option :—

"In fact," he said, "we are ourselves acquainted with villages where it has been virtually enforced with the utmost benefit, by the mere refusal of the landlord to allow any sort of a beerhouse on his estate."

We have seen that in 1879 the Report of the Convocation of Canterbury declared that "according to the evidence before that Committee the intelligence, morality, and comfort of the people" in these no-license areas were "such as the Friends of Temperance would have anticipated."

Perhaps the most striking evidence of the value of the experiment comes from Northumberland. That county has the largest proportion of no-license parishes to the total number of parishes in England, namely 342 out of 471, with a population of 36,777 in the no-license rural parishes out of 124,763 inhabitants in the rural districts. It is a hard-drinking county, and in the towns, especially Tynemouth and Newcastle, the arrests for drunkenness are heavy. But nearly half a century ago Sir Walter Trevelyan suppressed the licensed premises on his estates, and his example has been followed by other neighbouring landowners. A surprisingly large area of agricultural country is thus under the *régime* of No License, and the contrast between the Licensed and No License areas is striking.

The following was the testimony given by Sir George Trevelyan, when Secretary of State for Scotland, as the result of this experiment long continued on an extensive scale :—

Drinking shops are an evil in themselves, and they can be abolished and can be extinguished without any disadvantages to the public which in any degree can be weighed against the enormous disadvantages and evils of their existence. This may be to others a matter of theory, but it is to me a question of experience. Forty years ago Sir Walter C. Trevelyan took the matter into his own hands and suppressed public-houses over a large district of country. Since then a generation has grown up with the tastes and habits which were formed under a new system, with self-respect, frugality, and a high standard of comfort for themselves, and, what is much

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more important, for their wives and children. And I will venture to say that the most minute and even the most malevolent scrutiny could never discover in that district any evil whatever which has resulted from the suppression of the public-houses. On the other hand, the most superficial observer will see signs on the very face of the country of innumerable blessings which have resulted from the change. It has changed the face of the country and the appearance of the people. My neighbours have good health, good wages, good honour, good houses full of furniture, and have saved money. They are neighbours, indeed, and not dependents—there is not a single pauper on the estate.

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CHAPTER III.

LOCAL OPTION AND LIBERTY.

THE argument for Local Option starts from the proposition that the liquor traffic is a dangerous and socially harmful trade. It is needless at this time of day to submit the proof of this. For 400 years regulations of varying stringency have been tried. The experiment of Free Sale has been made. Since 1872 we have had a restrictive licensing system, which the liquor trade contends has been worked as well as it could be worked and to the satisfaction of the authorities. At the end of it, we have by the admission of the liquor trade itself a "gigantic evil" and a "national degradation."

The evils are really threefold. There is, first, direct alcoholic intemperance, some fraction of which is seen in the police prosecutions for drunkenness, which in 1905 numbered 219,476, or 642 per 100,000 of population in England and Wales. Alcohol, acting as a selective poison, fastens on the constitutions specially susceptible to its influence; and perhaps there is no more potent cause of the breakdown of personal character or of the wreckage of domestic happiness. It is easy with hard Pharisaism to denounce the miserable victims of alcoholism. Those who have the luck to possess constitutions not susceptible to its worst effects would do better to recognise that, while much may be done to diminish intemperance, a certain amount of social wreckage, in the given social conditions of England, and with physical constitutions as they are, is the normal and perhaps necessary consequence, so long as the drinking customs of the nation continue. It is needless to follow this point further into the portentous death-rates of publi-

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cans and liquor-sellers, or into the higher sickness rates and death-rates even of strictly moderate drinkers; these matters are now the commonplace of life insurance.

Secondly, apart from the direct evils of intemperance, there is the economic side of the question. A drink bill of 166 millions, fallen it may be from the high-water mark of 1899, but still in the aggregate higher than in 1895, an expenditure by the working and other classes on what is at best an unnecessary luxury, and at worst a dangerous poison, which no human being can justify; the diversion of a vast demand from productive industries to unproductive extravagance; and an amount of employment provided in the brewing and distilling trades lamentably small in proportion to the capital invested—do not these matters stand in urgent need of remedy on economic grounds alone?

Thirdly, perhaps the most serious point of all is the baffling complication of the drink evil with all other social maladies. Like other poisons in the human system, alcohol has its direct and dire effects, but more insidious and dangerous still is its power of crossing with and intensifying other social disorders. It is an idle piece of dialectics to discuss whether drink is the cause of poverty, or poverty the cause of drink. Drink, crime, pauperism, lunacy and social demoralisation are all interwoven together inextricably. It can only be said that these evils co-exist with drink, acting and reacting on each other, and each aggravating the worst symptoms of the other. Scratch the surface of degradation anywhere, and you come at once upon the liquor traffic. Directly the problems of cruelty to children, of unemployment, or of underfeeding in schools are seriously investigated, the drink traffic stands revealed as an unexpectedly potent cause of trouble. There is but one ground of encouragement in this analysis. Alcohol is a direct and tangible cause of mischief, which can be isolated in a bottle or a barrel. Reduce or extirpate this root of evil, and every other problem is at once simplified. Many of the diffi-

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culties would at once disappear. Temperance Reformers are apt to be accused of exaggeration and over statement; but the eye sees what it brings with it the power of seeing. It may be well to remind the sceptics, who cannot see the facts, that one third of the iceberg only is visible, while the remaining two thirds are out of sight in the depths.

THE GROUND OF STATE INTERFERENCE.

It is unnecessary to elaborate further the perilous and destructive nature of the trade. So much is universally admitted; we only differ as to whether these known evils are part of the irremovable order of nature, or owe their continued existence to the apathy of the many and the sinister self-interest of the few. From this starting-point flow several consequences which we have now to trace. First, the State's right to interfere with the liberty of the individual in restricting the sale of drink is derived from the evils which are inflicted on the State by the liquor trade. The State has a right of self-protection against these evils by stopping the sale. J. S. Mill's deliverance in the famous essay on "Liberty" is well known. But Mill was attacking a strained and over-stated argument in favour of prohibition rather than denying the right of the State to remedy the actual evils caused by drink. According to his own doctrine,

> As soon as any part of a person's conduct affects prejudicially the interests of others, society has jurisdiction over it, and the question whether the general welfare will or will not be promoted by interfering with it becomes open to discussion.—("Liberty," p. 141.)

Or, again, he states:

> Whenever, in short, there is a definite risk of damage either to an individual or to the public, the case is taken out of the province of liberty, and placed in that of morality or law.—(*Ibid.*, p. 154.)

Can anyone seriously contend that the sale of alcoholic liquor does not "prejudicially affect the interests of others," and does not "cause definite risk of damage"

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both to individuals and to the State? In such cases, according to Mill's doctrine, the State is justified in interfering with individual liberty. It is not therefore surprising that Mill in his election campaign at Westminster "declared himself against free trade in drink, and stated that public-houses were so often public nuisances, that he should support measures for making them as few and as little conspicuous as possible." Obviously as soon as it is conceded that licensed premises are often "public nuisances," the State has a right to over-ride individual convenience, and suppress the nuisance in the interest of the public. The method of suppression may be a question for discussion, but clearly the right to suppress is established.

Perhaps the best expression of the State's right to suppress is contained in the works of the Oxford thinker, the late Professor T. H. Green, who moulded so much of the thought of a generation that succeeded Mill. His argument that a local option law is a justifiable case of State action and not a wrongful interference with individual liberty is well worth quotation. He argues as follows:—

We justify it on the simple ground of the recognised right on the part of society to prevent men from doing as they like, if in their peculiar tastes, in doing as they like, they create a social nuisance. There is no right to freedom in the purchase and sale of a particular commodity, if the general result of allowing such freedom is to detract from freedom in the higher sense—from the general power of men to make the best of themselves. Now, with anyone who looks calmly at the facts there can be no doubt the present habits of drinking in England do lay a heavy burden on the free development of man's powers for social good—a heavier burden probably than arises from all other preventable causes put together. It used to be the fashion to look on drunkenness as a vice which was the concern only of the person who fell into it, so long as it did not lead him to commit an assault on his neighbours. No thoughtful man any longer looks on it in this way. We know that, however decently carried on, the excessive drinking of one man means an injury to others in health, purse, and respectability, to which no limits can be placed. Drunkenness in the head of a family means, as a rule, the impoverishment and degradation of all members of the family; and the presence of a drink shop at the corner of a street means, as a rule, the drunkenness of a certain number of heads of families in that street. Remove the drink shops and, as the experience of many happy communities sufficiently shows, you almost, perhaps in time altogether,

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remove the drunkenness. Here, then, is a wide-spreading social evil, of which society may, if it will, by a restraining law, to a great extent, rid itself, to the infinite enhancement of the position and freedom enjoyed by its members. All that is required for the attainment of so blessed a result is so much effort and self-sacrifice on the part of the majority of citizens as is necessary for the enactment and enforcement of the restraining law. The majority of citizens may still be far from prepared for such an effort. That is a point on which I express no opinion. To attempt a restraining law in advance of the social sentiment necessary to give real effect to it is always a mistake. But to argue that an effectual law in restraint of the drink traffic would be a wrongful interference with individual liberty, is to ignore the essential condition under which alone every particular liberty can rightly be allowed to the individual—the condition, namely, that the allowance of that liberty is not, as a rule and on the whole, an impediment to social good.

The cry of Liberty raised against a Local Option law is doubtless at times the protest of the natural man against a dreaded disturbance of his tastes or habits, or perhaps against the curtailment of his self-indulgence. But more often the appeal to freedom is but a counter in the electoral game of the liquor traders. Milton's line with a slight variant meets their case: "Licenses they mean, when they cry Liberty." The real answer to the desire to see England rather free than sober is given above in the words of Green. Until England is sober, how can she be really free? It is, in fact, a common experience that the imposition of a mechanical restraint may enlarge the real moral or spiritual freedom. The traffic regulations, enforced by a policeman in a crowded thoroughfare, make all the passengers freer to get on. The banishment of the bar-room, though adopted and perhaps felt at first as a restraint, would make everyone freer, and some incomparably freer, for all the real ends of life.

JUSTIFICATION OF LICENSING RESTRICTIONS.

Again, the doctrine of the dangerous nature of the liquor trade is implicit in all the regulations and restrictions of the licensing system. How else are such marked departures from the ordinary action of the State towards

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industry to be justified? Yet the liquor sellers themselves support and justify the licensing system in the hope of staving off Local Option, as the liquor sellers in America support Local Option and High License as a preferable alternative to State Prohibition. The licensing system is itself unjustifiable, unless the State has the right of interfering with the alcoholic liberty of the individual. That system proceeds on the assumption that prohibition is the law of the land, except for the loopholes sanctioned by the licensing authorities. Every sale of liquor by retail is illegal, unless it has been first sanctioned by the majority of the licensing bench. The licensing system claims the right to forbid 355 inhabitants of England and Wales out of every 356 from engaging in the trade at all. It picks out the 356th for a special exceptional privilege. It interferes drastically with individual liberty to sell at least as seriously as Local Option interferes with individual liberty to buy. It interferes, again, with liberty to sell at certain hours on every day. In almost all the British Empire, except in England and five Irish towns, it prohibits altogether the liberty of sale on one day out of the seven. It increasingly interferes with the liberty of serving young persons and children. It covers the trade with a network of regulations and police restrictions, any one of which, if examined, concedes the whole principle of State interference with liberty. Finally, the licensing system asserts the principle that the business is carried on merely for the public convenience. If it cannot be made out that the business in any premises is for the public convenience, the business at that spot can be suppressed or extinguished. All this interference would be utterly inappropriate and indefensible were it not that the State is in contact with an exceptional and dangerous trade. Local Option involves nothing but a slight extension of a principle of interference, which is acted upon without question every day by the State. Such an extension is urgently called for in view of the admitted evils with which thirty-five years of a restrictive licensing system have hopelessly failed to cope.

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A PLEA FOR PERMISSIVE LEGISLATION.

The right attitude of the State, then, towards the liquor traffic is one of progressive restriction. The argument would indeed justify theoretically a system of State prohibition for the whole country. But counsels of caution at once arise. The liquor trade is bound up with the tastes, habits and appetites of the people in their daily life, not to mention the powerful interests of a well-organised trade. At bottom, perhaps, the State may find itself running counter to the chemical property of the drug "alcohol," by which it has the faculty of creating a strong habitual appetite for itself, rising in certain constitutions to a fatal and well-nigh irresistible craving. It is but common prudence, born of experience, to make sure that local public opinion is behind the law—"Laws they are not that public approbation hath not made so." The real precedent for making liquor laws permissive is to be found in much sanitary legislation. The State requires the suppression of insanitary practices. But it is easier to lead than to drive. The State has the right, in the interests of public health, to demand a higher sanitary standard than many unenlightened districts will tolerate. But it leaves localities a large latitude in the application of the laws which it offers to them for adoption. It is not in accordance with the highest standard of sanitation to allow pig keeping, for instance, in a town. Public health very possibly suffers, and nuisances may arise. But cases are extant where a powerful body of pig keepers have successfully defied both local municipal authorities and the Local Government Board. Yet the permissive nature of the legislation is politic and well advised. It encourages and leads up to advances in the sanitary standard, which perhaps could never have been imposed at a blow by any autocratic and imperative action of the State. It is sometimes said that Local Option must not be proposed because it is in advance of public opinion. Permissive legislation

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cannot be enforced in advance of the public opinion of the moment. If it runs beyond the average sense of what is fair and possible, it remains, like a good deal of sanitary legislation, a dead letter on the Statute Book. On the other hand, it provides a continual and automatic mode of registering public opinion. It encourages action to be taken. It sets a standard and ideal of advance. Just in proportion as opinion crystallises itself on the subject, it allows this public opinion with the most beneficial results to be transformed into law. Local Option, then, can never be in advance of public opinion. It is an instrument for recording it.

It follows that the area which should be entrusted with Local Option powers should not be too large. Especially is this true of a country like England, with marked local varieties of industry, habit and character. The Prohibitionist States in America, which have tried to enforce State Prohibition over the whole of their State, an area perhaps as large as Scotland or Wales, have met with difficulties from which the adoption of a smaller area and of a less ambitious procedure would have happily extricated them. Yet the Prohibition States have been mainly homogeneous agricultural communities, with much the same traditions and modes of life; and here the difficulties are probably surmountable. In our diversified England we have to be on our guard against a hostile local opinion defying the general law of the State. Even at the risk of creating some border difficulties, it would be well to make the areas small. I can but express an individual opinion, but in my own judgment Local Option should be left to each parish in a country district, and to each ward of a town, so that where the locality chooses to adopt and enforce a policy of no-license, there may be the certainty that the local opinion of the district has accepted and is behind the experiment. The Foreign Office Report on Liquor Legislation in the United States (1907), p. 106, says, that in the United States "the tendency of legisla-

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tion is now to make the unit smaller and smaller. . . . It is endeavoured to ensure that the same public opinion which enacts a law should also supervise its enforcement."

THE RIGHTS OF THE LOCALITY.

As soon as the bedrock principle is grasped that the attitude of the State should be one of progressive restriction, as towards a dangerous trade, while leaving localities to make what use they please of the permissive powers of restriction and suppression which the State entrusts to them, two objections of our opponents clear themselves away. "You claim," it is said, "the right of a local majority to suppress all licensed houses in the locality. Why has not a local majority professing the Anglican religion the same right to suppress all Nonconformist chapels in the neighbourhood?" The objection is scarcely worthy even of utterance at a public meeting. Are public-houses and Nonconformist chapels on all fours? Mankind has learned at last, by a bitter experience, that it is not dangerous to tolerate religious organisations holding tenets of which the majority may profoundly disapprove. The doctrine of tolerance is that the danger lies all the other way. It is ruinous to the highest interests of the State to suppress the freedom of religious thought. The advocates of no-license do not claim for the locality an unlimited liberty to do whatever the locality desires regardless of the public welfare. They claim for the locality the right to carry out and enforce, in accordance with local opinion and circumstances, the State's restrictive policy towards the liquor traffic, which is justified by the ruinous nature of the trade.

It is this root fact again which explains the refusal of the option of increase in Local Option legislation. Sir William Harcourt's Bill of 1895 allowed both an option of reduction and an option of total suppression by direct popular vote. Why was there no option offered of increase in the number of licensed premises? Common sense will probably suffice for an answer to most minds.

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There are not many places in England where there can be said to be any real scarcity of licensed premises. The need is for reduction of an altogether excessive number, or, in favourable districts, for total clearance. It is for the people to diminish, and not to multiply the incredibly excessive temptations that exist. Yet a theoretical answer can be given if it is seriously demanded. It depends on the fundamental principle, which has been re-asserted so often, that we are dealing with a socially harmful trade. The State having seen reason to adopt a restrictive policy, is within its right in laying down a maximum number of licenses that may be granted in proportion to population, and in giving localities still further powers to reduce or suppress within the general limit prescribed. This is, in fact, done in Massachusetts, where the proportion allowed is one license to every 1,000 of population (except that by a concession to the liquor trade one to 500 was allowed in Boston). In the city of Toronto a similar maximum of licenses is established by municipal regulation. A maximum of licenses was recommended by Lord Peel in the Licensing Commission Report. The establishment of such a maximum follows in strict logic from the principles here maintained.

TRUST IN THE PEOPLE.

It is, then, no necessary part of democratic theory to assert that localities ought to be empowered either to dispense with national regulations about the sale of poisons, or to abolish every sanitary rule, or to suppress places of worship to which the local majority may object, or to abolish all theatres and music halls, or, finally, to try any experiment it pleases in its caprice with this dangerous trade in alcohol. But when the State's right to grant to localities permissive powers of suppressing the drink traffic is established, the advocates of no-license urge that the exercise of this power should be sanctioned by the widest possible franchise that can be found. We have at

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present the Local Option of suppression by the will of the landowners; we also have an option of reduction in the hands of the licensing justices. What is wanted is that similar powers, both of reduction and suppression, should be placed in the hands of the people. By all means let the largest possible number of the inhabitants vote on the question. Most Local Option bills have entrusted the decision of the question in England to the parochial electors (who correspond to the parish electors in Scotland), as out of all existing franchises the parochial electors' list gives the largest number of possible voters on the question. The New Zealand plan is adult male and female suffrage. The sole reason why that plan is not proposed in British Local Option bills, is that in bills which are hotly opposed there is no possible chance of including all the machinery necessary to establish a new and separate voters' list. But the desire of every Local Optionist is that the decision of a question which touches every home, should be for the democracy itself. They wish to see the system of no-license broad-based upon the people's will. Within the necessary limits above defined, they wish to trust the people. They ask that the people themselves should be entrusted with a direct and visible responsibility for the continued existence of the trade. In this sense, then, Local Option is not a curtailment, but an enlargement of popular liberties. It is the extension of the suffrage to a matter hitherto reserved from popular decision. It is a grant of new rights, new powers, and new privileges to the people. When a new extension of voting power is offered to democracy, the people would be wise to accept it. They can use their new-found franchise as they think best. The possession of the power will have its uses in unsuspected ways.

IS IT A CLASS MEASURE?

It thus becomes ludicrous to misrepresent Local Option as a class measure. This will not, doubtless, prevent the liquor sellers from continuing to use an argument which is supposed to have much electioneering value. But how

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a measure which will only become operative under the widest possible franchise can serve to oppress the working classes, it is quite impossible to fathom. It may, it is true, serve to suppress licenses in a few residential districts, where the working classes do not as a rule reside, and where they may be in a minority. But such residential districts are often apt to-day to be free from the presence of licensed premises. In the immense majority of cases, the absolute decision would be placed by a Local Option law in the hands of the working classes themselves. They are a clear majority of the electorate almost everywhere, and the system of no-license could neither come into existence nor continue against their will. In fact, what Mr. Pratt ironically calls "the poor mistrusted working classes" are the very people into whose hands, for the first time, the decision of the question would be placed. Probably the cry of a "class measure" is a traditional echo of some of the early and almost prehistoric conflicts on the question, when, in the days of a limited franchise, it was proposed to give the power of decision to a select and privileged body of ratepayers. To that doubtless objections on democratic grounds could fairly be raised. The cry is the merest electioneering clap-trap to-day. It is impossible for the liquor sellers, with all their appeals for the liberty of the working classes, to get over the fact that the special representatives of labour, both in the House of Commons and the country, are among the most convinced and earnest advocates of Local Option. In 1893 there were one hundred and ninety-three labour leaders who signed a manifesto in favour of the Government's Local Option Bill of that day. Every Labour M.P. then in the House of Commons signed it, ten in all, including Messrs. John Burns, John Wilson, Havelock Wilson, Keir Hardie, Charles Fenwick, Joseph Arch and others. Some extracts from this manifesto are appended:—

The present Parliament is unquestionably the most democratic that has ever been elected, and the present Government in bringing

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in the Liquor Traffic (Local Control) Bill is simply endeavouring to bring about a further extension of popular rights. . . . The control of the liquor traffic (a matter closely concerning the domestic, social, financial and political well-being of the working classes) has hitherto been in the hands of the classes. The Government propose to make the masses the masters of the situation. . . . The Veto Bill will, for the first time, put the rights and liberties of the people in relation to this matter into the hands of the people themselves. The opponents of the Veto Bill profess to be intensely interested in the protection of the liberties of the working classes. It is a fraudulent profession. The liberty which most of them really desire to maintain is the liberty of privileged monopolists to exploit the working classes, and "to draw and suck from them their money by subtle and indirect means." "Liberty of the people!" Could any cry be more absurd? As at least six-sevenths of all entitled to vote belong to what are called the poorer classes, it is sheer mockery and insult of these classes to tell them that the measure will enable the rich to tyrannise over them. The matter is absolutely and entirely in their own hands.

THE PROTEST OF THE LABOUR PARTY.

Just as the trades unionists of 1893 protested against the suggestion that Local Option would oppress the working classes, so the Labour Party of to-day declare in favour of a Local Option law. At the meeting of the National Labour Party, held in the Memorial Hall, London, on February 16th, 1906, with Mr. Arthur Henderson, M.P., in the chair, Mr. S. Fisher (Coal Trimmers) moved, and Mr. F. W. Welsh (Vellum Binders) seconded, a resolution which is no less sound in the proposal which it advocates, than in the grounds on which the advocacy is based; it ran as follows:—

It being admitted by judges, magistrates, chief constables, poor law administrators, governors of gaols and lunatic asylums, ministers of religion of all denominations, and social workers generally, that the drink traffic is a fruitful source of poverty, crime and lunacy, this Conference is of opinion that the time has arrived when the workers of the nation should demand that a law be enacted giving the inhabitants of every locality the right to veto any application for either the renewal of existing licenses or the granting of new ones, seeing that public-houses are generally situated in thickly populated working class districts.

The voting by card resulted in the adoption of the resolution by a majority of more than six to one, 660,000 having voted for the resolution and 103,000 against it.

To sum up, then, we have tried to prove that the State

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is justified in imposing the potential restraints of the Local Option system with a view of securing, by means of an extension of political liberty, a more real and ample freedom. But these pages are merely an amplification of a few sentences of Carlyle's:—

> No man oppresses thee, O free and independent franchiser, but does not this stupid pewter pot oppress thee? No son of Adam can bid thee come or go, but this absurd pot of heavy wet can and does. Thou art the thrall, not of Cedric the Saxon, but of thy own brutal appetites, and this accursed dish of liquor. And thou pratest of thy liberty, thou entire blockhead!

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CHAPTER IV.

LOCAL OPTION IN BEING.

FALSE views of liberty can be brought to the test of argument. One class of the opponents of Local Option are beyond its reach. These are the prophets who tell us with glib dogmatism that Local Option, if passed into law, would never be adopted in practice; or that it would only be adopted where it was least needed; or that it could never be utilised in urban districts; and, lastly, that if any districts did adopt the plan of no-license it would be nullified by evasion of the law. If the prophets are asked to envisage the practical working of Local Option in British Colonies, the United States, or Scandinavia, they escape from experience by expatiating on their intuitive knowledge of the character of Englishmen. The thing could not be done in England, though doubtless the Briton overseas is equal to this impossible feat. It can only be said that electoral prophecies are notoriously uncertain. Even in our ordinary political contests, where an elaborate science of electoral significance is attempted, where records of previous contests exist and the trend of opinion is closely studied, observers in the midst of a Parliamentary contest are often widely at sea. The acutest statesmen, who have spent their lives in political fighting, have made the profoundest miscalculations in their forecasts of General Elections. Lord Beaconsfield, Mr. Gladstone, Mr. Chamberlain, all found their expectations falsified. Yet any politician or journalist, who has perhaps the haziest knowledge of the actual working of Local Option where it is in force, thinks himself at liberty to pronounce for certain how Local Option polls, of which scarcely any experience has been had in England, are sure to turn

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out. Grattan's way with these gentlemen is the best. You cannot argue with these prophets, but you can confidently disbelieve them.

Probable judgment is the guide in politics. No one would willingly dogmatise about the operation of an undrafted statute. Much depends also on the details, such as the area chosen, the frequency of voting, or the size of the majority. In Canada, while it became necessary in Ontario to substitute for the Scott Act a provincial Local Option statute, in the maritime provinces, New Brunswick, Nova Scotia, and Prince Edward Island, the same Scott Act proved, and still proves, a marked success. The circumstances of these respective portions of Canada differed. We can, then, only argue from experience. We can draw inferences from the no-license experiments of the United Kingdom and from the working of no-license abroad. If more than half the rural area of an English county such as Northumberland, and extensive tracts in many other countries, submit to the no-license policy of landowners, why should it be a thing incredible that other local areas should adopt the same plan of their free will? As we shall see later, Local Option is the fighting issue with the liquor trade throughout the English-speaking world. It is against all reasonable probability to suppose that a plan which is sweeping the United States and is largely utilised in the Colonies should be inoperative in our country. The liquor-sellers have stronger ground in experience for their fears of Local Option. They would not put out their full strength in opposition to a futile and ineffectual measure.

LOCAL OPTION UNDER URBAN CONDITIONS.

Nor is the repeated statement that no-license cannot be carried out in urban areas supported by experience. As we have seen, there are no-license districts in English and Scottish towns. It is true that the earliest successes of Local Option were gained in new countries with sparse populations. But the experience of the State of Massachu-

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setts is really conclusive on that point.* This State has a density of population very slightly higher than the United Kingdom. Its cities and manufactures have developed remarkably during the last twenty years. Its conditions are fully industrialised, and in many respects they are fairly comparable to those of England. In "Greater Boston," that is, within a radius of ten miles from Boston State House, there lives a population of 1,226,858 inhabitants. This is practically bisected into licensed districts and no-license territory. The population living under no-license is now 539,112, as against 687,746 under licensed conditions. There is one contiguous no-license area of districts, which rank as cities, comprising a total population of 305,125, with a further belt of rural territory under no-license protecting it to the north and west. The centre of this district is the no-license city of Cambridge (population 97,434), an industrial community employing 12,986 wage-earners, which is also the seat of Harvard. This city, the largest and best known of American Local Option cities, has now been continuously under no-license for twenty years, having annually voted for that policy. In the four years preceding 1906 the majority for no-license averaged 3,901, and the poll in the last year of voting was 87 per cent. of the electorate. In an appendix will be found an account of the no-license movement in this city.

It is not merely the existence of these and other urban districts under no-license which make the experience of the State of Massachusetts so encouraging. The great gains of the no-license movement in that State have been in the urban centres during the last twenty-six years. The country districts have remained stationary, three-fourths of the area having been steadily held for no-license during that period, and in 1907 out of 271 "towns" (a term which means township with an area somewhat like that of a rural district in England) there voted 249 for no-license. This

* I have given the evidence for this in fuller detail in a pamphlet on "Local Option in the Cities: The Policy of No-License in the State of Massachusetts," published by the United Kingdom Alliance, 20, Tothill Street, Westminster.

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policy has been maintained in face of an overwhelming flood of foreign immigrants into the State. But the striking steps of progress during the twenty-six years of the Massachusetts Local Option plan have been won in the cities and urban areas.

THE SUPPORT OF MODERATE DRINKERS.

Again, the American experience is the best answer to an erroneous inference based on a conjecture. The teetotalers, it is said, only number one-tenth of the population. How can they hope to win the localities to suppress by popular vote their drinkshops? There has been no census of total abstainers; no one has any ground, beyond a mere guess, for any estimate of their numbers. But, apart from that, the American and Canadian experience shows that the no-license vote is certainly not composed merely of teetotalers. As the Foreign Office Report on Liquor Traffic Legislation of the United States (1907) states (p. 107):—

> It is also claimed for Local Option that it will often enlist people for no-license, who are not actual prohibitionsts, for they will vote so in order to prevent the establishment of a saloon near their place of business or residence.

I have myself seen letters from prominent men in Massachusetts stating that they were prepared to serve on no-license committees provided that it was fully understood that they were themselves moderate drinkers, taking the ground that in the particular locality licenses were not required at all.

This is fully borne out by the following statement by President Eliot, the head of Harvard University, in the "Summary of Investigations" published by the Committee of Fifty for the investigation of the liquor problem in the United States, which was organised in 1893. This Committee took a highly academic attitude towards the problem, critical of State-prohibition and leaning towards

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the Gothenberg solution of the problem. Its summary (p. 55) remarks:—

> The main advantage of Local Option is that the same public opinion which determines the question of license or no-license is at the back of all the local officials who administer the system decided on. . . . . Under Local Option many persons who are not prohibitionists habitually vote for no-license in the place where they live, or where their business is carried on. Persons who object to public bars, although they use alcoholic drink themselves, may also support a local no-license system.

Lastly, it is a noteworthy fact that the pessimist prophecies which are used to discourage us in England appear to have been equally common in Massachusetts. There is documentary evidence to show that in Cambridge, the most striking success of the no-license movement, there were many prophecies before the event that the thing could never be done. The pessimist forecasts are merely the common case of the lack of political imagination. They are nothing but the barren sophistries

> Of comfortable moles whom what they do
> Teaches the limit of the just and true:—
> (And for such doing they require not eyes.)

It is not intended to assert that Local Option laws, granting merely permissive powers, will act by themselves. Successes are not won under them by taking merely casual polls without preparation or organisation. There are one or two cases in England where a landowner has wished to close a particular public-house on his estate, but, thinking it fair to take a poll, he has found public opinion in favour of the retention. Possibly; but the successes are not won without fighting. They need properly equipped committees and all the requisites of hard campaigning. The law evokes much ready service, and a campaign of education and enthusiasm strikes down to underlying reservoirs of force which are unsuspected by the pessimists. The truth, however, is that the chance of a successful operation of a Local Option law depends not so much on the difference between urban and rural conditions, or on the presence, as it has been termed, of a drinking "safety-valve" in the neighbourhood. It is the presence of a few

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men and women with force of character and a belief in their cause that really carries the policy of no-license. In my visits to no-license cities in America that cardinal fact seemed traceable everywhere. It is at bottom the faith and determination of a group of reformers—and one reformer to begin with will suffice—which under the Local Option system have the chance and the power to lift their village, their ward, or their city on to the higher plane. Unless that spirit is utterly absent in England the plan of no-license will be adopted and prove a success here.

THE SIZE OF THE MAJORITY.

There is, however, one detail in Local Option legislation which is of marked importance for the practical working of the law. The question of the majority to be prescribed for carrying a Local Option poll is often treated cavalierly without any real sense or practical study of the working of the exceptional majorities which are lightly suggested. Yet no detail is more important for the success of the law.

In the United States the rule is universal that a bare majority decides through all the thirty States where Local Option exists. The practice in the Colonies has varied. The Canadian Scott Act, which permitted Local Option by counties, prescribed a bare majority. But the New Zealand Act of 1894 introduced the plan of a bare majority for reduction purposes, while requiring a 60 per cent. majority to carry no-license. That has been copied in the New South Wales Act of 1905; and in Ontario, where a provincial law used to allow Local Option by majority vote, an amending law prescribed a 60 per cent. majority in 1906. It should also be noted that under a New South Wales law passed in 1898 a vote of eleven-twentieths, or 55 per cent., of the votes polled, was required. In all cases these percentages are of the aggregate votes polled, though it is sometimes stipulated that a certain percentage of those entitled to vote, say 30 per cent., must record their votes to make a valid poll.

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At first sight a difference of 5 per cent. in a prescribed majority does not appear formidable; but experience proves that every 5 per cent. additional required above the bare majority creates a serious handicap to the law. Thus, taking the seventy-two constituencies in Scotland at the last General Election, it will be found that if a 60 per cent. majority had been required, no fewer than forty-one Scottish M.P.'s, including four members of the Government, would have failed to secure election. If a 55 per cent. majority of the votes polled had been prescribed, twenty-two Scottish M.P.'s out of the seventy-two would not have been elected. The same experience rules in Local Option polls. Thus in the New Zealand Local Option polls in 1905, out of the 68 areas in that colony in which triennial polls are compulsorily taken, no-license was already in force in three areas which were retained under that system in 1905. In the remaining 65 areas, no-license would have been carried in 39 areas, if a bare majority had decided; it would have been carried in twenty places on a 55 per cent. majority. But as a 60 per cent. majority was required, no-license was carried only in an additional three areas, making six in all. Without going too deeply into details, it may be said that the ravages of the 60 per cent. rule are equally marked in Ontario, where the 1906 amendment of the law has caused great dissatisfaction among the Temperance Reformers of the province. If once the doctrine of the rule of the majority is to be accepted, the sole ground on which an exceptional majority can be advocated is that it is necessary to secure such a substantial expression of opinion as will ensure respect for the law in its administration. The exceptional majority will not, of course, prevent fluctuations, which are just as likely to occur with a 60 per cent. majority as with a bare majority. The Ontario experience, however, goes to prove that respect for the law depends more on the efficiency of the police than on the size of the numerical majority which carried the system into force. Both majorities have been tried in Ontario at different times, and the experience of

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the provincial inspectors is that the law is just as easy to enforce under a bare majority as under the 60 per cent. rule. But even if it be thought necessary to rule out as non-effective mere majorities of a few votes either way, it is a totally different matter to propose a two-thirds majority, as it sometimes lightly done, without any examination of what such a majority means. In an average parliamentary constituency, with a 10,000 electorate, a victory by a majority of 55 per cent. means that at least a four-figure majority must be won (5,500 votes to 4,500); a majority of 60 per cent. means at least that a 2,000 majority must be won; a two-thirds majority means a victory by a majority of 3,300. A four-figure majority is generally looked upon with satisfaction as a sufficiently decisive expression of public opinion. But there is really no sound reason for departing from the ordinary rule of majority decision, which is all that is required for the most far-reaching and fundamental issues in our constitutional struggles.

DISTINCTION BETWEEN NO-LICENSE AND PROHIBITION.

If, then, there are reasonable prospects of the effectual operation of a Local Option Law, it remains to grasp precisely the system that would be enforced. Throughout this volume it has been described as the no-license system rather than prohibition. The term "prohibition" in the first place suggests the idea of prohibition for the nation, or the plan of State-prohibition which exists in Kansas or Maine or other American States. It does not so well denote the plan of no-license in small areas which is being contemplated for our country. Again, it suggests that the plan suppresses entirely the use and presence of alcoholic liquors in the area. The word "no-license" is used in Colonial and American Local Option communities, because it is free from these misconceptions. It denotes only that no license is granted in the area. It does not

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necessarily follow that everyone in the no-license area is a total abstainer, or that no liquor is consumed there. Everyone who knows the no-license parishes of rural England is well aware that moderate drinkers exist in those parishes who, with some extra inconvenience, can get their supplies. Under the no-license plan the State does not strike at the private use of alcoholic liquor in the area; it prohibits simply the retail sale. There are many precedents for the State's intervention only in the social act of trade, while leaving private use or consumption out of its ken. The State does not prevent anyone from eating diseased meat, if he chooses to do so, or from keeping it in his possession. It fines a man for selling it. Under the no-license plan the law does not prevent a moderate drinker from buying his drink outside the area, provided that all the essential elements of the sale take place beyond the borders. He can bring his drink to his home, or under proper conditions have it sent there. Most Local Option laws recognise this possibility; for instance, the law of Massachusetts deliberately contemplates and regulates it. It is in our own no-license areas open to a Northumbrian farmer to buy a bottle of whisky at his licensed market town and bring it home for his own consumption. There need be in all this no violation or evasion of the law, nothing that is not fully recognised as open and legal under the no-license system. All that is essential to that system is that no license should be granted in the area, that the bar-room should be banished, and that no retail sales within the area of prohibition should take place. In this it really carries one step further a principle involved in the existing process of reducing licenses. That reduction presumably causes inconvenience to the drinker. It would save him trouble if licensed premises were everywhere and if their numbers were absolutely unlimited. It is only a question of degree of inconvenience to take the further step of saying that licenses shall be not merely limited in number, but also excluded from certain parts of the country where the drinker may possibly live. Drinking

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to some extent, then, will continue in no-license areas; there will also be some drunkenness, which is, perhaps, the normal and necessary accompaniment of drinking customs. What then, it may be said, is the good of the experiment? The answer is a practical one, based on experience. The diminution both in drinking and in drunkenness, though neither are eliminated, is marked, and the consequent advantages are well worth securing.

THE PROBLEM OF ENFORCEMENT.

Some people who have not thought out the real meaning of no-license are apt to treat the presence of this amount of liquor in the no-license areas as surreptitious and evasive, and a confession of the law's failure. Within the above-mentioned limits it is nothing of the kind. It is quite true that in a Massachusetts area under a Local Option law, or in the territory of Maine, which is under State-prohibition, liquor can be legally ordered from outside the State or from the next licensed area and introduced for consumption only. The American Constitution prevents the States from interfering to prevent the free importation of liquor, or of any other commodity, from a neighbouring State. It is probably desirable in the present state of public feeling to allow openly this safety-valve. But this loophole must be sharply distinguished from real illegalities, which consist in the retail sale of liquor in prohibited areas themselves. It is always being said that a no-license law could not be enforced. The critics and opponents confuse infractions of law with its breakdown. They forget, too, that while some classes of crime can be so practically stamped out as to become extinct, other crimes are perpetually filling the police-courts and prisons. Piracy is almost non-existent in our judicial records. Slave-trading after it was abolished by law needed sixty years of strenuous effort to suppress it. On the other hand, theft was forbidden in the Decalogue. It has been for centuries under the ban of every civilised State. Yet there were in England

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and Wales 70,175 larcenies reported to the police in 1905. Is it, then, proposed to repeal the Eighth Commandment on the ground that after so many years it is incapable of enforcement? In 1905 there were 56,023 offences against the Education Acts, and 47,871 against the Highway Acts, not to mention 219,276 breaches of the law against drunkenness, and 6,867 other violations of the licensing laws. Yet the number of convictions in these cases is not taken as a proof of the futility of the attempt to enforce the law, but rather as evidence of the necessity of the statutes. It may be that a no-license law will give trouble to enforce, especially at first or in places which are chosen as the battle-ground of the liquor trade. But it is idle to say that the resources of a civilised State are unequal to the task of carrying out a law in a local area, where *ex hypothesi* public opinion has recently declared in its favour. Examples of American breakdowns are quoted and often invented for us. When the statistics are trustworthy, and not merely campaigning fabrications, two points need to be remembered. First, the working of a Local Option law in small areas must not be confused with the operation of a law of State-prohibition which may cover a territory perhaps as large as Scotland. We have already noted that so extensive an experiment may lead to trouble where the general will of the legislature is encountered by opposition from a hostile locality. Under a Local Option law each locality is consulted and determines for itself. Secondly, the American system of law enforcement is vitiated by the spoils-system and the common habit of electing executive officials, who correspond to our chief constables, by popular vote for brief terms. It is said that the average tenure of the chief constable's office in Chicago amounted at one time to one year and seven months. It is obvious that, with this sacrifice of common-sense to abstract democratic theory or to party politics, no law has a chance of proper enforcement. The method of election, however, varies with different States and is not stereotyped in America, and quite satisfactory cases of law-

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enforcement in American no-license areas can be found. Violations of licensing laws are no less frequent in licensed than in no-license areas. In licensed Boston, for instance, I was officially told by the police that they were prosecuting for illegal sales "all the time." There were, in fact, 161 prosecutions in that city for selling liquor without a license in 1905. In Boston's no-license neighbour, the city of Cambridge, the problem of law-enforcement is satisfactorily solved; the condition of things there is quite up to any English standard. The Chief of Police, in his annual report for 1905 (p. 99), states that "the no-license law has been well enforced during the year, the so-called kitchen bar-rooms having been almost entirely eliminated." There was one arrest for illegal sale of liquor and three for violation of the liquor law in 1905.

The truth is that in England we should find no more difficulty in enforcing no-license under a Local Option law than is found at present in English no-license areas under the option of the landowners. These places are not riddled with shebeens, or any of the American varieties of "joints," "dives," "blind pigs," or "kitchen bar-rooms." On the contrary, these English no-license areas are the places where the police find little or nothing to do.

LOCAL OPTION AND CLUBS.

A brief word is all that need be said about the problem of the clubs in its relation to Local Option. Under the English law, as it stands at present, difficulty would undoubtedly occur. Any club under the Act of 1902 can be registered, and the provisions for striking a club off the register are inadequate. The club that really supplies a social want, and incidentally alcoholic liquors to its members, is treated indistinguishably from the club whose reason for existence is illegitimate evasion of the licensing laws. Probably a combination of the Irish and the Scottish law on the question of clubs would meet the case. It would be necessary to provide that a no-license experiment

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should not be wrecked by the evasive institution of bogus clubs. It need not be necessary to eliminate in the no-license area those existing clubs which have a real social justification. But this is only a part of the much wider problem of the proper conditions of these institutions. Most of the difficulties would be met by the provision of annual registration at the discretion of the licensing authority. This is, indeed, required on grounds quite unconnected with Local Option. It would at once distinguish the genuine social club, which would have nothing to fear from this reform, from the bogus variety, which would then be held under proper control. Directly this central reform is secured the whole problem will be simplified. The difficulties in fact are successfully overcome in various ways in American and Colonial practice.

FIVE RESULTS OF LOCAL OPTION.

We take it, then, that Local Option polls would in fact be carried, and that the initial difficulties of enforcement would be overcome. What, then, are the results to be anticipated? These are partly direct and partly indirect. The direct results are, first, a diminution in the drink bill; secondly, a marked reduction of drunkenness; thirdly, a decided increase of local prosperity. The indirect influence to many minds is still more important. Local Option would operate as a cautionary influence on the publican and with a stimulating and educative influence on public opinion.

2. REDUCTION OF DRUNKENNESS BY

First, then, as to the direct results. We are told by the liquor trade that "prohibition fails to prohibit," and that as much drink is consumed under no-license as without it. It is inexplicable that so much hostility is shown if the plan has no effect at all on the business. The fact remains that the countries which have most adopted veto legislation have drink bills much below the countries with licensing

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systems. The Board of Trade returns of alcoholic beverages, 1905, give complete official figures up to 1902 for the consumption of beer, wine, and spirits in imperial gallons per head of population. The following table gives the facts for the average of the three years 1900—2, the last for which comparative figures exist:—

CONSUMPTION OF DRINK IN IMPERIAL GALLONS PER HEAD ON AVERAGE OF 1900—2.

A.—In Local Option Countries.

—	Beer.	Wine.	Spirits.
Norway	4·4	0·44	·75
Canada	4·7	0·09	·75
New Zealand	9·2	0·15	·74
United States	14·3	0·41	1·15

B.—In Licensed Countries.

—	Beer.	Wine.	Spirits.
Denmark	21·3	Not stated.	3·20
United Kingdom	30·9	0·37	1·08
France	5·2	32·6	1·67
Germany	26·7	1·24	1·89

It will be noticed how restricted is the consumption of liquor in countries like Norway, Canada, or New Zealand as compared with Denmark, which drinks four times as much spirits per head as any one of the three Local Option communities, and from two and a half to five times as much beer; while, though the United States in the years taken was passing through a period of exceptional prosperity and attracting over a million of immigrants a year from the drinking countries of Europe, its consumption of beer was only half that of the United Kingdom,

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while its consumption of spirits was much the same. We saw in Chapter I. evidence that the drink bills of the Scandinavian countries or of Canadian provinces varied with the stringency of restrictive legislation.

The diminution follows not merely from the cessation of drinking in no-license areas, but also from the educative effect of no-license polls on public opinion. It has been noted that our national drink bill, though we spent in 1905-6 a sum of £20,000,000 less on drink than in the boom year 1899-1900, is still higher to-day than in 1894 and 1895 in the aggregate sum. Though the figures for 1907 are not available, the arrest of the diminution seems probable. The sole consolation is that the drink bill does seem to correspond to the limited reduction of licenses which is in sight, as during the recent trade boom which has passed an expansion of the drink bill might have been looked for. We cannot, then, reckon on any automatic decrease of an extravagance which, taking the expenditure of all classes alike together, is beyond any justification. Economists and reformers constantly deplore this squandering of national resources. Yet year by year the waste goes on. J. S. Mill once said that in the presence of great social evils small reforms did not produce small results: they produced no results at all. Some powerful influence is clearly required to effect the heavy diminution of the drink bill, which is the first condition and symptom of reform. Vetoists believe that that influence must be sought in the operation of a Local Option law. In the no-license areas they anticipate a heavy reduction, though not an entire extinction of the drink bill. For the country as a whole they believe that Local Option will secure by its direct operation and its indirect influence that diminution of a gross national extravagance which everything else seems powerless to stop, or even effectively to check.

2. REDUCTIONS OF DRUNKENNESS BY TWO-THIRDS.

This diminution of drinking cannot generally be proved statistically in the no-license areas. They are mostly too

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small to have separate returns of alcoholic consumption. No figures exist, or could be obtained, for the individual consumption of separate American States. The no-license movement, then, is driven back on to the two other direct results of a Local Option experiment, a diminution of drunkenness and the increase of prosperity. The no-license campaigns of Massachusetts, New Zealand, and Ontario are all marked by great similarity of feature. In all of them stress is laid on the two points just mentioned.

Once more it must be repeated that the claim for Local Option is that, while it does not extinguish drunkenness, it is a powerful weapon for its reduction. Liquor, as we have seen, is obtainable in no-license areas, not without inconvenience perhaps, but by quite legal means. There is a class of inebriates who will get drink if they have to go miles for it. They are the helpless victims of the faculty of the drug to create a well-nigh irresistible appetite for itself. There are others who succumb readily to open temptation, but do not go down if liquor is not eternally thrust upon them. A certain class of inveterate drunkenness then may continue, but the drunkenness born of facility of opportunity and the mere casual habit of treating disappears; hence the marked reduction which is revealed in the figures.

The best evidence of this is to be found in an official inquiry made in 1895 by the Massachusetts State Bureau of Statistics of Labour. In the course of an inquiry into the relation of the liquor traffic to pauperism, crime, and insanity,* this State Department gave figures showing the diminution of drunkenness due to the adoption of the no-license policy. It noted that different systems of police administration have to be allowed for in comparing the experience of different towns, but where the policy of a given town changed in the course of a year the conditions were as nearly comparable as could be obtained. In this Report (p. 256) there are particulars of the five Massachu-

* From the 26th Annual Report of the Bureau of Statistics of Labour for 1906. Public Document No. 15.

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setts cities which changed their policy in 1895, and the following table shows the average arrests per month in these five cities during the period of license and no-license respectively :—

	Average Number of Arrests for Drunkenness during the period of—	
	License.	No-License.
Haverhill	81·63	26·50
Lynn	315·00	117·63
Medford	20·12	13·25
Pittsfield	93·25	36·75
Salem	140·50	29·63
Total	650·50	223·76

Or, again, taking an individual place, the city of Waltham's official police reports showed the marked diminution of drunkenness under no-license :—

	No-License Year, 1899-1900.	License Year, 1900-1.	No-License Year, 1901-2.
Total of arrests for drunkenness in year	221	634	179
Proportion per 1,000 of population for such arrests ...	9·4	27·0	7·6

This was not an isolated experience. In the fourteen years up to 1905 Waltham had five years of license and nine years of no-license. The average arrests for drunkenness were 230·3 per annum in the no-license years, as against 833 arrests per annum in the years of license. The population increased 25·8 per cent. between 1895 and 1905, but the drunkenness fell 72 per cent. under the no-license system.

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The same kind of testimony comes from New Zealand. Evidence is quoted below, p. 170, showing that in four no-license areas in that Colony drunkenness is shown by the police records to have fallen 67 per cent. in the first year of no-license: convictions for serious offences fell 62·9 per cent. in the period.

There are obvious risks in arguing from the operation of the statutes of distant lands to the probable effect of similar laws in England. Differences of police administration, or of the standards of drunkenness, have to be allowed for. Yet these are comparisons of the same communities over almost the same periods of time, differing, it would seem, only in the presence or absence of drinking bars in the respective periods. It seems hard to resist the force of the evidence that Local Option is capable of being used as a great lever for the diminution of drunkenness. The report of the Licensing Commission did not contemplate anything so utopian as the abolition of drunkenness from England. It held merely that "hardly any sacrifice would be too great if it resulted in a marked diminution of a national degradation." No-license may, it is true, entail some interference with the drinker's convenience, or some break with old habits. But if we are justified by the facts in submitting that no-license does produce the required "marked diminution" of drunkenness, may we not take the Commission's report at its word and plead for a willingness to face even this sacrifice in the interest of the nation?

3. THE GROWTH OF PROSPERITY.

Thirdly, one of the most marked features in a no-license campaign is the contention that no-license as a business proposition pays. This fact is not credited at first, but the increase of prosperity in a no-license area forces itself upon attention. At first, it is true, there is hesitation. In Massachusetts, it was argued, will not the city lose the license revenues, three-fourths of the license fees being paid

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over in that State to the locality? If the hotels lose their licenses will not their assessment be reduced? Will not other ratepayers have to make up the deficit? These doubts are, of course, pressed hard by the liquor party. But the facts of the law's working in some other town are appealed to. The increased prosperity follows logically enough. No-license extinguishes, as we have seen, the greater part of the consumption of liquor. The money remains to be spent in other ways. One acute social observer in a no-license town in America told me that the real difference lay in the fact that in licensed territory the saloon was paid first, and in a no-license area the home. The wage-earner in licensed territory stays, perhaps, at the "saloon" on his way home. He gives to his wife on his return what the saloon leaves to him. In a no-license area the moderate drinker, even if he means to go away and drink, returns to his home before starting out; and he takes to the saloon what he has not handed over to his wife. The practical difference is probably great. The amount of money which a marked reduction of the drink bill would bring into other industries is often not realised. A huge sum like our national drink bill of 166 millions leaves no impression on the imagination. Not long ago at an annual licensing meeting all the publicans in a small town of little over 2,000 inhabitants were asked to give on oath their weekly takings on drink. Making very large allowances for over-statement, the sum came to over £8,000, which would give about the average consumption for such a population in England. Divert far the greater part of this sum into other channels in the town, and it can be well understood that all the retail business in the place begins to benefit. This is what, in fact, occurs under no-license. A new demand arises. Business is more brisk. Debts are more easily paid, and there are fewer bad debts. More furniture, clothing, and household necessaries are bought. Lord Randolph Churchill once put the point in these words:—

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Now imagine if by some reasonable and wise legislation we could diminish the facility of recourse to the public-house and ginshop, what a very large proportion of these millions would be diverted from the liquor trade, and would flow over to other trades and industries! All trades would benefit. More food would be purchased, and better kinds of food. More clothing would be purchased, and better kinds of clothing. More furniture would be purchased, and better kinds of furniture. In every way in which money could be diverted from expenditure on the liquor trade, the other trades of the country would benefit.

The Fiscal Blue Books show the wide difference in demand for an article like milk between wage-earners of £1 and of 30/- per week. The dropping of a pernicious luxury is found to increase the purchasing power of the people in other directions. The savings-banks appreciate the change and are strong supporters of it. Probably a better class of population is attracted by the improved order of the place. Employers move their works into the district to get the advantage of greater steadiness and regularity of labour. There are no Monday morning absentees in the large watch factories in the no-license city of Waltham in Massachusetts. The labour is itself more efficient and productive, and is both entitled to, and is able to command economically, a higher wage. People require a better style of houses; and the building trade benefits. Pauperism and the expenditure on police decline, or do not increase in proportion to population. The assessable or rateable value of the place, in spite of the absence of licenses, does not fall but rises. This is the story of many a successful no-license campaign. The sceptics are convinced by the facts after the event. But any one who realises the magnitude of expenditure on drink and the necessarily large fall in that expenditure under no-license must see that the increase of prosperity follows necessarily and can be predicted for England with practical certainty. It is an elementary case of the substitution of productive for unproductive and demoralising expenditure. While the English trader is conquering markets all over the world, there is an immense market at home, which a well-considered policy of no-license would throw into the hands of legitimate trade. For the

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class of retail traders or for the co-operative stores, no fiscal or tariff reform could possibly rival the godsend which a policy of no-license would prove to these trades; and the great productive industries behind the distributive trades would feel the force of a new current of demand. It is unnecessary to pursue this line of thought further. Anyone who has grasped the economics of the drink question will easily follow it into its ramifications. While the unproductive expenditure on drink secures huge monopoly profits for the drink capitalist, it provides slight employment for the workman in proportion to the capital utilised, and poor wages in proportion to the total product of the industry. It demoralises labour and destroys or impairs its efficiency.

THE REVENUE ARGUMENT.

The real answer to the revenue argument of the liquor trade lies here. It is triumphantly asked how under no-license will it be possible to raise the revenue of thirty-six millions now contributed from the liquor trade. A larger sum will be contributed with greater ease out of the increased prosperity which a policy of no-license will bring. Much play is made of the supposed contribution of £36,000,000 from the liquor trade to the national revenue. The fact is that almost the whole of this sum, say £34,000,000, is collected by the duties on beer and spirits, but really paid by the consumers of alcoholic liquors. The sole contribution made out of the profits of the trade to the national revenue, is the inadequate sum of £2,000,000, which is paid by way of license duties. If therefore consumers ceased altogether to use intoxicating liquor—a somewhat violent assumption—the money would remain in their pockets to be drawn upon by the Chancellor of the Exchequer in some other way. Sir George Murray, chairman of the Board of Inland Revenue, put this clearly at a dinner of the County Brewers Society in 1897, when he said:—

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Through your agency I am enabled to extract from the pockets of the people a sum of money which will largely exceed £11,000,000, and to do this without their knowing anything about it at all. What the people pay to me I think they generally charge to you, and that seems to me an extremely satisfactory result to both of us. . . . If the unfortunate tax-payer knows nothing about it, so much the better for him, so much the better for you, and so much the better for me. Where ignorance produces such bliss, do you think it wise to enlighten?

It is, of course, to be remembered that this indirect mode of raising revenue is itself offset by the heavy cost entailed in many different ways by crime, pauperism, and the other social effects of intemperance. And Chancellors of the Exchequer belonging to both parties have recognised in often-quoted utterances how wasteful a source of revenue this revenue from liquor proves.

Mr. Gladstone, in replying to a brewers' deputation, once said:—

Gentlemen, you need not give yourselves any trouble about the revenue. The question of revenue must never stand in the way of needed reforms. Besides, with a sober population not wasting their earnings, I shall know where to obtain the revenue.

Sir Stafford Northcote, when Chancellor of the Exchequer, said, in the House of Commons:—

If the reduction of revenue should be due to a material and considerable change in the habits of the people, and to increasing habits of temperance and abstinence from the use of ardent spirits, I venture to say that the amount of wealth such a change would bring to the nation would utterly throw into the shade the amount of revenue which is now derived from the spirit duty, and we should not only see with satisfaction a diminution of the revenue from such a cause, but we should find in various ways that the Exchequer would not suffer from the losses which it might sustain in that direction.

This anticipation receives most interesting confirmation from the American experience. In the cities of Massachusetts the temptation to raise revenue from liquor comes in its most insidious form. Three-fourths of the license duties, which range in that State from a minimum of £200 a year for a full license to more than double that sum at the discretion of the local authority, are allocated in relief of local rates. Yet, as the appendix on the experience of the city of Cambridge brings out, the cities that have the

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wisdom to leave this revenue aside find that they do not suffer from the adoption of the policy of no-license. They gain more from the increase in the valuation and assessment of the cities than they lose by dropping the revenue from license duties. It pays the city of Cambridge to drop £30,000 to £40,000 a year from licenses in order to get the greater financial prosperity that a policy of no-license brings.

It is only necessary to add that the statement that 2,000,000 persons would be thrown out of employment by suppression of the trade is both an absurd exaggeration and a grotesque perversion of the facts. In the first place, the number employed in England and Wales in the liquor trades is nothing like two millions, but is given in the census of 1901 as 258,654 persons.* In the next place, the gradual transference of expenditure from the drink trade to productive industries would secure a far larger demand for and employment of labour than it could possibly displace.

* The total of the persons concerned in the making and selling of intoxicating drinks in England and Wales is given in the census of 1901 under the following headings:—

—	Persons.	Males.	Females.
Maltsters	9,607	9,595	12
Brewers	27,919	27,822	97
Distillers, Spirit Manufacturers ...	712	706	6
Wine and Spirit Merchants, Agents	8,820	8,396	424
Inn, Hotel-keepers, Publicans, Beersellers, Cider-dealers ...	99,915	76,210	23,705
Cellarmen (including Beer-bottlers)	15,394	14,078	1,316
Barmen	56,332	28,625	27,707
Others in Inn, Hotel, Eating-house service	39,955	18,849	21,106
Total	258,654	184,281	74,373

From Census of England and Wales, 1901. General Report, cd. 2,174, p. 126.

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4. EDUCATIONAL EFFECT ON OPINION.

These are some of the direct results that it is confidently believed would follow from the adoption of no-license in England, as they follow in other parts of the English-speaking world. Mathematical demonstration is impossible on the face of it. No one can predict with absolute certainty that the law which operates elsewhere will be equally utilised here, though there is every reasonable probability of it. There are, however, two indirect effects of the Local Option system which would be felt, even if the law had merely an occasional or very partial operation. The first is the effect on public opinion through the existence of the poll. It is said by the opponents that electoral bitterness would be a great evil. The same argument would tell in favour of the abolition of all popular government. Any election may cause heart-burnings, frictions, and perhaps permanent bitterness. We put up with the nuisance of a General Election because of the greater advantages of political education and the sense of responsibility which electoral contests bring. At present the people tolerate the evils of liquor-selling because they have no direct sense of responsibility. The inhabitants of a village are apathetic about intemperance, because they have no visible power of removing the cause of this evil. Well-managed or ill-managed, the "Hare and Hounds" down the village street is part of the order of nature. It has always been there, like the hills which shall never be removed, as permanent as the church steeple, and probably prior to the parish pump. Its continued existence has of course really depended, since the Alehouse Act of 1828, in the last resort on the annual decisions or will of a handful of county magnates, meeting twenty or thirty miles away in a county town. But the veiled mysteries of licensing law are a hopeless enigma to the village mind. Supposing that the parish emigrated *en masse* to Ontario, the whole mental attitude would be

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changed. There, if tragedies occur, each parishioner has his share of responsibility. The continuance of the bar-room depends on the choice of the parishioners at the recurring moments of decision. If a poll is taken, it is incumbent on each parishioner to make up his own mind. He is compelled to face the question, to inform himself of the effects in other parishes, to balance in his own judgment the relative advantages of license and no-license. Anyone can see how formative of public opinion these campaigns must be. If Canadian and American opinion is vastly ahead of public sentiment in England, so that any visitor to those countries is instinctively conscious of an entire difference of mental attitude towards the problem, one great cause at least is the influence of the Local Option polls. Self-government creates the sense of the necessity for reform.

It is easy to see how these polls would strengthen the hands of a licensing authority. At present the attitude of many justices towards Local Option is one of jealous concern for their own authority, which they regard as assailed. Yet the system would undoubtedly strengthen the hands of any authority that was really anxious for reform. The justices to-day have no means of testing public opinion; they take petitions presented to them in the Licensing Meetings for what they are worth; they are without popular mandate; many of them live in a world of their own quite out of touch with the people whose wishes and convenience they are supposed to consider and interpret. Even if they desire to carry through reform, they fear to outrun public opinion. They do not know what the public opinion really is. Hence we get the curious case of the New South Wales Local Option polls in 1907. These were the first polls taken under the new statute of 1905, but of ninety electorates, into which the Colony is divided for Local Option purposes, reduction was carried in no fewer than sixty-five. Apparently therefore the New South Wales licensing authorities, in blank ignorance of the real sentiments of the people, have been thrusting superfluous

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licenses on the localities over nearly three-quarters of the Colony. Under most Local Option Laws polls are taken at the instance and on the demand of a percentage, say, one-tenth of the electorate. It seems well worth considering whether the Licensing Authority should not also, if a majority of its members desire it, have the power to take a Local Option vote as a guide to the sense of the requirements of their area. In fact the Licensing Authority ought to take the people into partnership to decide the broad lines of the question in their district, while reserving to themselves the right of deciding in a judicial spirit on the details of each individual case before them.

THE CAUTIONARY INFLUENCE ON THE TRADE.

But futher, this indirect influence operates powerfully on the mind of the publican. The reason why the State can never regulate successfully the liquor trade is that the liquor trade constantly corrupts and demoralises the regulative machinery of the State. The subtle influence of money and alcohol in combination is ever insidiously at work. You may forbid presents to superintendents of police on their superannuation, but what if a Watch Committee is staffed by the shareholders or representatives of local breweries? What if a chief constable in a county lends his name to the Committee of Debenture holders formed to protect the financial interests of the drink trade? The police force is universally believed to be free from corruption, but it is impossible to expect that instances of individual abuse will not occur. Out of 1,180 brewery directors 270 sit on the Bench, adjudicating on cases of drink-caused crime, and prevented from acting in licensing matters only when they are interested in local breweries. Hundreds of shareholders in breweries are in the same position, and subject to the same partial disqualification. The clerks to the Benches are often equally interested. Some bad glimpses of the abuses that result were revealed

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by the Licensing Commission. It is almost out of the question to expel this insidious influence with the direct pitchfork of a statute. It comes back and recovers its hold in some other way. You are baffled by the tentacles of the drink-octopus. Nor is this corrupting influence merely local. It is everywhere, in every constituency, and in every ward almost of every constituency. The liquor trade is not concentrated, as most trades are, in one district or locality. The days of the old-fashioned publican freeholder are gone by, and without a reform of the law can never return. A colossal drink-trust is constituted out of concentrated and consolidated capital. The direction of the drink-trust falls into fewer and fewer hands. It is well organised for political defence. It enters into politics with well-equipped forces. It influences or controls a large part of the press either by proprietorship or by means of its liquor advertisements. It pays the liquor trade handsomely to assess itself for campaign funds, recouping itself, if its side wins a General Election, by the rise in the value of its brewery shares. Its tied houses throughout the country serve it not only as branch shops for the sale of drink, but as electioneering committee-rooms. It acts steadily on its sinister watchword, "Our Trade our Politics." Against this ramifying and corrupting influence, which is both local and national, Local Option provides the one effectual remedy. The authorities can be influenced or captured. It is not so easy to control an electorate. If abuses occur there is always the risk of a popular explosion. The parish or ward knows more than can ever be proved on oath at a licensing meeting. The locality requires more powers of self-protection than of old in view of the development of the drink-trust. This cautionary influence of Local Option would be felt at once both by the publican and by the owner. Each would be far more careful in pushing the trade; it would be the one effectual security against lax management and unscrupulous influence, against the existence of disorderly practices, which, though they would not justify suppression on

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the ground of misconduct, it is desirable to stop. Self-government would do in this sphere what it has already accomplished in municipal administration. It is the great guarantee against corruption and abuse.

Such, then, appears to be the true conception and some of the possibilities of no-license. We look forward to a partition of territory between this plan and the license system, with the abuses of which everyone is familiar. We may hope to get under urban conditions wards or residential districts, whether inhabited by the working classes or the more well-to-do, free from the liquor traffic altogether. We expect a considerable addition to the number of no-license parishes in rural areas. In this way there will be large uncontaminated zones of country districts, where it will be open to anyone who may so desire to get away from the licensed sale of drink altogether. As against the doctrine, which hangs about in people's minds, that the liquor traffic is indispensable in every area, in every parish, in every ward or street of an urban district, the plea of the vetoist is for a chance of cities of refuge, where the community, if it so wills, may be free from the intrusive and perpetual presence of a demoralising trade.

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CHAPTER V.

THE PREVALENCE OF LOCAL OPTION.

It remains to review the wide prevalence of Local Option legislation through the English-speaking world. The final report of the Licensing Commission (p. 274) observes that "it is a remarkable fact that Local Option should so widely prevail in countries whose conditions may be very different." When Mill referred to the subject in the essay on "Liberty" he could point only to seven prohibitionist States of the American Union and one local optionist British Colony.

He may have been referring perhaps to the early Dunkin Act of 1864, passed by the former province of Canada before Confederation, which was, and is still, to some extent utilised in Ontario and Quebec.

1. IN BRITISH COLONIES.

Let us look, first, at the case of British Colonies as they stand to-day. We shall see the progress made since Mill's time. Local Option in some form is almost universal. There is much flexibility and variation of detail, but we may broadly distinguish on the one hand what may be termed full Local Option powers, namely, the power of clearing by a direct vote a district, of whatever size, entirely from the licensed sale of liquor; and, on the other hand, limited Local Options which may exist for the reduction of drinking facilities in an area or as a means of stopping the grant of new licenses. The Local Option Blue Book (No. 47 of 1907) shows that the following Colonies

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have to-day the full Local Option power on their statute books, viz. :—

In Canada :—	Alberta.	New South Wales.
Ontario.	Prince Edward Island (provincial prohibition).	Victoria.
Quebec.		Queensland.
Nova Scotia.	Newfoundland.	In South Africa :—
New Brunswick.	In Australasia :—	Cape Colony.
Saskatchewan.	New Zealand.	Transvaal.
Manitoba.		

Besides these, there are limited Local Option powers in South Australia and New Guinea which have the option of reduction; there is Local Opinion in imperfect forms in Tasmania, where more stringent legislation is on the stocks, and also in West Australia; and Local Option over new licenses exists in Natal.

Or, looking at it chronologically, we may say that the decisive moments of Local Option legislation in the British Empire are, first, the passing of the Canada Temperance Act in 1878, which is known as the Scott Act. This Act, which granted a power of Local Option by cities and counties, led up to large gains of no-license territories in the East of Canada. In Nova Scotia all but two of the counties (Halifax and Richmond) are now under no-license through the working of the Scott Act; and similarly in New Brunswick, partly through the Scott Act and partly by a provincial statute, which grants Local Option powers to the smaller areas of the parish, licenses are issued only in six counties and one city. In Prince Edward Island the Scott Act was carried in the three counties of the island, and prepared the way for the enactment of provincial prohibition in 1901. It is true that the Scott Act did not maintain its hold in Ontario, where it was used at first. But after a period, during which the Temperance Reformers of Canada endeavoured to obtain national or provincial prohibition in Canada, both Ontario and Quebec have betaken themselves to an active no-license campaign under provincial laws, which give Local Option to "municipalities," a term which in Canadian law means local government areas. Out of 794 of these local government

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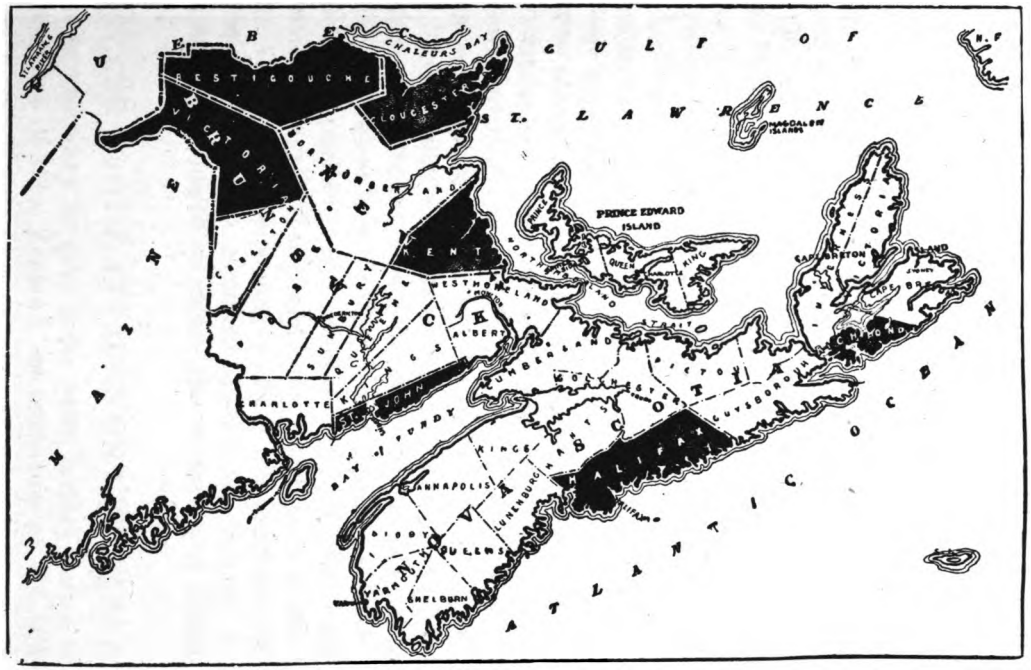

NO-LICENSE MAP—MARITIME PROVINCES IN CANADA.

(No-License Counties are left White.)

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areas in the province of Ontario, 286 were up to the end of 1907 under no-license, 58 of the areas having been won in the Local Option contests of 1906, and 44 more in January, 1907. An additional number of about forty must be added for the victories of the Local Option polls of January, 1908. In Quebec during the last ten years great progress has been recorded. At the time of the Canadian Liquor Commission of 1895 it was stated that liquor licenses were suppressed in about one-third of the parishes in Quebec. The Département du Trésor in Quebec made the official statement in 1906 that no-license existed in more than 570 parishes out of 968, or in three-fifths of the province. It should be said, however, that both in Ontario and in Quebec to some extent the action of the licensing authority is responsible, as well as the direct vote, for the suppression of licenses.

The second notable date in the advance of Local Option legislation is the passing of the New Zealand Act of 1893. There had been previously in the Colony Local Option over new licenses and an elective licensing authority under the Acts of 1881 and 1882. But the Act of 1893, though defective in details, was a decided step in advance. The main features of New Zealand Local Option are: (1) Local Option by parliamentary constituency; (2) adult male and female suffrage; (3) triennial compulsory polls at the same date as a general election; and (4) the requirement of a three-fifths vote to establish no-license, though a bare majority is required to secure the reduction of licenses.

ANSWER TO THE ATTACKS ON NEW ZEALAND.

It is necessary to give some brief further notice of the experience of New Zealand, as criticisms of the working of its Local Option law were published last year in "The Times" and are repeated by Mr. Pratt in the "Licensed Trade" (pp. 154-169). Indeed, it might be suspected from internal evidence that Mr. Pratt and the correspondent of "The Times" were using the same information.

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The salient facts of the situation are shown by the rise in the votes recorded at the Local Option polls in the last four General Elections, as given in the official New Zealand Year Book for 1906 (p. 199):—

Year.	Number of persons on rolls.	Number of persons who voted (including invalid votes).	Votes Polled for.		
			Continuance.	Reduction.	No-License.
1896 ...	339,230	259,898	139,580	94,555	98,312
1899 ...	373,744	281,822	142,443	107,751	118,575
1902 ...	415,789	318,859	148,449	132,240	151,524
1905 ...	476,473	396,417*	182,884	151,057	198,768

At the polls of 1894, Clutha, one of the sixty-two districts into which the Colony was then divided, voted for no-license, and has refused at each succeeding poll to go back to the licensed system.

Whatever may be said of the defects of the no-license plan by visitors, or on the strength of the interested evidence of the liquor trade, is not the actual experience of the people on the spot, who know the conditions and the difficulties, the real test of success?

The votes in Clutha at the last two Local Option polls were as follows:—

	1902.	1905.
For restoration of licenses	1,368	1,459
For non-restoration	2,245	2,536

In 1905 there were 5,061 electors on the roll, and 63·47 per cent. of the votes recorded were in favour of the continuance of the no-license system in Clutha.

In 1902 no-license was carried in three electoral districts and reduction in nine. No-license was also carried in three other districts, but the polls in these were declared invalid. In 1905 no-license was carried altogether in six

* Includes 8,990 invalid votes. Each voter can vote for one or two of the options, but no more.

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electoral districts out of the sixty-eight which now form the Colony, and reduction in five more. One-twelfth of the Colony now lives under no-license. The following are the electoral districts which voted for no-license in 1905, with the number of electors on the roll :—

No-License Electoral Districts.	Number of Electors on Roll, 1905.	Date of Poll for No-License.
Grey Lynn...	6,890	1,905
Oamaru	5,886	1,905
Invercargill	7,411	1,905
Ashburton	6,194	1,902
Mataura	6,590	1,902
Clutha	5,061	1,894

The figures quoted above from the official Year Book show that no-license polled a clear majority (51·27 per cent.) of the number of persons recording valid votes on an 83·2 per cent. poll of the electors. Except for the requirement that no-license may only be carried by a three-fifths vote, no-license would sweep the Colony. There was in fact a majority recorded for no-license in no less than thirty-six electoral districts out of the total sixty-eight. The severity of the handicap of the exceptional majority is patent in practice.

Mr. Pratt, however, and the correspondent of "The Times" advance a theory (1) that there has been a set-back of recent years in opinion in New Zealand; (2) that drunkenness has increased in the Colony; and (3) that illegal sales and much bitterness of feeling are the outcome of the law. I have not been in New Zealand myself, but I reprint a reply to the charges of "The Times" correspondent which was sent from New Zealand, though that paper declined to print it. It supplies an answer to the accusations which Mr. Pratt repeats practically verbatim, while he admits that his evidence is compiled, apart from

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references to the New Zealand Year Book, mainly from the campaign literature of the liquor trade. The New Zealand reply runs as follows:—

THE NO-LICENSE MOVEMENT IN NEW ZEALAND.

(Sent to "The Times," but not inserted.)

SIR,—Your issue of January 10th last, containing an article under the above heading and a leading article in a later issue of "The Times," has been sent to me, and as these articles have attracted some attention, I ask of your courtesy space to reply. Permit a personal foreword. I am a native of this colony, and few of your readers can know anything about me. It is therefore necessary to say that I have been a member of the Colonial Bar for twenty-four years, and have for many years taken a leading part in the no-license movement in New Zealand, and for five years have been the president of the colonial organisation. A reference to the High Commissioner of the Colony in London will satisfy you as to my standing and authority to speak on this question.

In your leader, after stating that in Scandinavia "the people are taking to concoctions viler than the potato spirit, even to 'politur,' which is furniture polish from which the shellac is precipitated with salt," etc., you continue, "It is much the same in New Zealand. The more severe the restriction the greater the evasion, the more horrible the shifts to which people resort, and the worse the conditions underneath the complacent but mendacious statistics."

I asure you that no one the least acquainted with the facts could apply the above language to any part of this Colony. The best evidence of this is that our opponents in the Colony, though using their best skill to forge arguments against the reform, have never ventured even to suggest such things.

The language of your article leaves something to be desired in the way of "sweet reasonableness." The people here are not so fearfully under the spell of drink as to sink to the level you describe when the public-house bars are closed. They are, as a rule, self-respecting and law-abiding, and, when no-license is carried by a three-fifths majority vote, the remaining members of the community (except a small irreclaimable residuum) respect and obey the law.

Your unknown correspondent's article is in many respects seriously misleading. The effect of no-license has been proved here, and the official records are eloquent as to its value. And the constantly increasing vote for no-license throughout the Colony is the answer which the Colonists themselves give to all such writers. I crave space for categorical reply.

1. Your correspondent conveys the impression that the no-license movement is receding in the Colony. He has doubtless been led into this error by the "New Zealand Times" (December 18, 1905), which he quotes as follows:—"It is evident that, though the tide is slowly rising, the gains to Prohibition are curiously local, and in some parts of the West the wave is slowly receding. Taking the chief cities, not including suburbs, we find that in three out of the four the set-back to the no-license movement is plainly discernible. The reason is, probably, that in these centres the 'trade' is, for the first time in the history of the Colony, conducting a well-

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organised and persistent fight. Auckland is the only city where Prohibition has gone steadily onward."

Now, what are the facts? The "New Zealand Official Year Book" for 1906 (published by the Government), pp. 196—199, gives the detailed results of the last poll, and shows that while only eighteen out of the sixty-eight licensing districts in the Colony gave a majority for continuance, thirty-six gave a majority for no-license. The official statement ends with these words: "The large increases in the number of votes recorded for no-license or reduction are prominent features in the above table." No doubt this book may be seen at the office of the High Commissioner.

This is how "the tide is slowly rising" (figures from Year Book):

LOCAL OPTION POLL RETURNS.

Total votes for no-license throughout the Colony	1896.	1899.	1902.	1905.
	98,312	118,575	151,524	198,768

Rate of increase, 1896–99 ... ... 20·6 per cent.
" " 1899–1902 ... ... 25·6 "
" " 1902–05 ... ... 31·1 ... "

At the last poll the no-license vote for the Colony was a clear majority of all the electors who voted—51.27 per cent.

The statement that "the gains to Prohibition are curiously local, and in some places of the West the wave is slowly receding," is at variance with the fact. There are sixty-eight districts. In four only was there any recession, which between them showed a loss of 619 votes. One only of these was in the West, and the loss there was forty-nine votes. But the other sixty-four districts gave a combined increase of 47,663.

Again, the statement that "in three out of the four chief cities the set-back to the no-license movement is plainly discernible. . . Auckland is the only city where Prohibition has gone steadily onward" is unpardonable. The figures for the four cities are:

VOTES FOR NO-LICENSE.

—	1896.	1899.	1902.	1905.
Auckland	4,783	5,869	6,524	8,202
Wellington	4,951	6,194	7,496	8,872
Christchurch	5,261	6,538	7,888	8,787
Dunedin	4,466	6,774	8,518	9,078

2. The figures quoted by your correspondent as showing the imports of liquor into Ashburton are of no value. These figures are for the year 1904, while the law requiring registration of liquor sent into no-license districts did not come into force till late in 1905. and there were no means of ascertaining the imports for 1904. Then in 1904 there was a large club in Ashburton which alone would

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account for most of the liquor said to have been brought in. That sale of liquor at the club is now illegal.

3. And the figures given as to increase of drunkenness are equally untrustworthy. Your correspondent has compared years of severe depression with years of great prosperity, and has ignored the great increase of population over seventeen years. But the police records in the no-license districts tell their own tale. In Ashburton the police cells have been empty for months at a time. This is the record for the last year of license and the first year of no-license :—

CONVICTIONS.

—	Last license year.	First no-license year.	Decrease.
Ashburton	91	19	72
Chalmers (seaport)	194	80	114
Mataura	46	8	38
Bruce...	21	9	12
Total	352	136	236

CONVICTIONS FOR SERIOUS OFFENCES.

—	Last license year.	First no-license year.	Decrease.
Ashburton	143	72	71
Chalmers	99	20	79
Mataura	49	23	26
Bruce	46	10	36
Total	337	125	212

The district of Oamaru consists of the town (population over 5,000) and surrounding country. No-license took effect there in July last. The crime reports show that, while in 1905 there were 299 police cases, and for the first half of 1906 (license) 138, for the second half of 1906 (no-license) the number was only twenty-nine. In Invercargill (a town, population 12,000) no-license took effect on July 1st last. For the next six months there were only two criminal cases in the Supreme Court—one for alteration of a certificate, and one of theft, from a license district. At the last session of the Court there were no cases from Invercargill.

4. Your correspondent's story about the "exceptionally large

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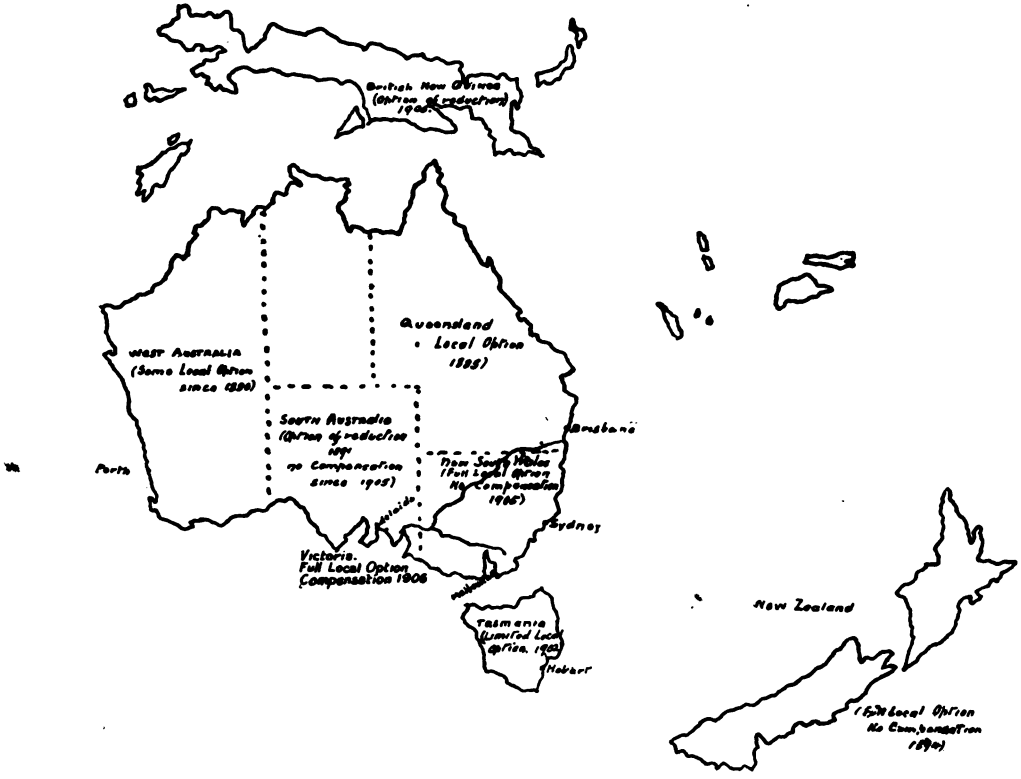

LOCAL OPTION MAP OF AUSTRALIA AND NEW ZEALAND.

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order for whisky in flasks" obtained "solely through *Prohibition*, as the law will not allow spirits to be sold on the rececourse," is too ridiculous. I do not doubt that some sportive whisky agent in the Colony may have written this to his principals, but as there is no racecourse of any importance within a no-license area in the Colony, the point is only good for English readers. It is not true that "sly grog selling has in New Zealand undergone considerable expansion." It is true that in the King Country there has been for many years a disgraceful sly grog traffic which the Government has of late years been putting down, and the great majority of the prosecutions have been in this connection, and only a small proportion in no-license areas, and it is not true that illicit distilling is known to any extent.

But I must bring this letter to a close. Your correspondent's statements are those which are made here by the liquor party and some of the newspapers. There is no bitter feeling except on the part of the trade. The moral sense of the community is on the side of the law. There is no "sense of injustice inflicted on the working class and middle class people"—these are the backbone of the movement. If, as your correspondent says, this question should be left to "the practical common-sense of the people," how could that be better done than by submitting it to the vote of the people as we do?

New Zealand is a progressive Colony, and is bent upon solving this great question. We do not regard it as a "side issue," but as one vitally affecting the well-being of the people. No-license will win, in spite of the heavy handicap of a three-fifths majority, and we shall then be able to demonstrate its practical wisdom.

Yours,

April 20, 1907. ALEX. A. E. ADAMS.

It is worth noticing, then, that since our own General Election of 1895 some new facts of Colonial experience have to be recorded which bear on the problem of Local Option. First, we have had the steady maintenance of the Scott Act in the maritime provinces of Canada and the marked progress of the no-license movement in Ontario and Quebec. Secondly, the whole experiment in New Zealand has been recorded. We have the striking fact of more than half the votes polled at a general election in that Colony declaring for absolute no-license. Thirdly, we see the impression produced by the New Zealand experience on the statute-book of the Australian States. The Local Option Blue Book of 1907 gives the text of the excellent law of New South Wales passed in 1905, a comprehensive measure granting full powers of Local Option and

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reduction on New Zealand lines, but with some marked improvements of detail. It allowed a time limit of five or eight years for some kinds of licenses, and dealt also with clubs, barmaids, election days, closing, exclusion of young persons from drinking bars, and other points of licensing reform. At the first New South Wales Local Option polls in 1907 no district was carried for absolute no-license, which, as in New Zealand, requires a three-fifths majority; but, as has been already mentioned, out of ninety electoral districts into which New South Wales is divided reduction was carried in sixty-five and continuance only in twenty-five areas. Under the statute this means that a reduction of 25 per cent. of the existing number of licenses will be effected in the sixty-five districts. The total votes cast were as follows:—

For Continuance	210,371	or 45·4	per cent.
„ Reduction	74,721	„ 16·1	„
„ No-License	178,600	„ 38·5	„
Total votes cast ...	463,692	or 100	per cent.

Under the New South Wales plan, if no-license fails to be carried in an electoral district, the votes cast in favour of no-license are counted as being cast for reduction and are added to the total polled for reduction; thus the total liquor vote at the polls was 210,371, against 253,321 for temperance reform, a majority for reform of 42,950 votes. The influence of the New Zealand statute is also seen in the Victoria Act of 1906, which, however, is a much less satisfactory law than that of New South Wales, and Tasmania is on the point of legislating on similar lines.

The liquor trade leaflets in England declare that Local Option is "un-English." It is really necessary for the liquor traders to enlarge their minds, and to take a broader view of the movement of opinion in the British Empire. Surely a method which is so widely adopted throughout the democratic and self-governing communities can neither be pernicious in operation, nor ineffectual in performance, nor inimical to liberty or social well-being.

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2. IN THE UNITED STATES.

The experience of the United States weighs perhaps less with the English people than the lessons drawn from their own Colonies. But the broad facts of the American situation cannot be passed by.

It is impossible to get away from the fact that in the United States, apart from the six States which now have a law of State-prohibition, and apart from those which have elective licensing authorities with full powers, there are about thirty States in the American Union which allow to localities the option of complete suppression by direct popular vote, and in all cases without exception by the vote of the majority. It may, perhaps, be advisable to repeat that each American State has complete Home Rule, with its own legislative and judicial system. Each State has incidentally its own licensing system, which it can modify or abolish as it chooses. The result is a vast mass of experiment, Local Option being tried for many different local government areas, whether county, city, township, residential district, or ward.

The following are Local Option States:—

Arkansas.	Michigan.	Oregon.
Colorado.	Mississippi.	Rhode I.
Connecticut.	Missouri.	South Dakota.
Florida.	Montana.	Tennessee.
Illinois.	Nebraska.	Texas.
Indiana.	New Hampshire,	Vermont.
Iowa.	New York.	Virginia.
Kentucky.	N. Carolina.	West Virginia.
Maryland.	Ohio.	Wisconsin.
Massachusetts.		

Indeed, it is now stated that there are only six States which, in the American term, are really "wet," *i.e.*, which have not either State-prohibition or a substantial instalment of Local Option in effectual operation.

Mr. Pratt thinks it enough to dismiss the whole subject with the remark that "in the States, where Prohibition has had a full and fair trial, its failure as either a legal or a moral force has been complete." What is the proper

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criterion of success? Mr. Pratt's evidence amounts to one or two press cuttings, the unprejudiced testimony of Sir Thomas R. Dewar, the whisky distiller, and an extract from the record of what I understand was a somewhat hasty visit paid to the capital of the Prohibition State of Maine by Mr. Bennett, M.P. Is the question to be decided by some traveller's tale how he got an illegal glass of whisky in a no-license area? Would an American traveller be justified in concluding that our English licensing system is an abject failure if he chanced to notice the glaring contrast between our annual total of 200,000 cases of drunkenness and the extreme rarity of prosecutions for permitting drunkenness or for the sale of drink to drunken persons? Is it not clear that against the casual and superficial testimony of passing visitors, the considered votes of the residents on the spot maintained over a term of years must be conclusive? If the American people under an absolutely democratic franchise, with opportunities of watching the working of the law far fuller than the ordinary traveller can possibly have, choose to maintain and extend the system which the visitor finds fault with, which is more likely to be right—the visitor or the citizen on the spot?

TESTIMONIES TO SUCCESS.

It is, of course, quite possible to find any number of testimonies to the success of Local Option in the United States; and I select the following three:—

First, everyone will have confidence in the official report of the Foreign Office on liquor traffic legislation in the United States, published April, 1907. This report is no biassed statement of teetotal testimony, but echoes what is really the average opinion of the American in the street that State-prohibition mostly proves to be too drastic for average populations, but that Local Option is a reasonable and moderate proposal. It is drawn up by Mr. R. C. Lindsay, Second Secretary to His Majesty's Embassy at Washington, based evidently on reports by Consuls or

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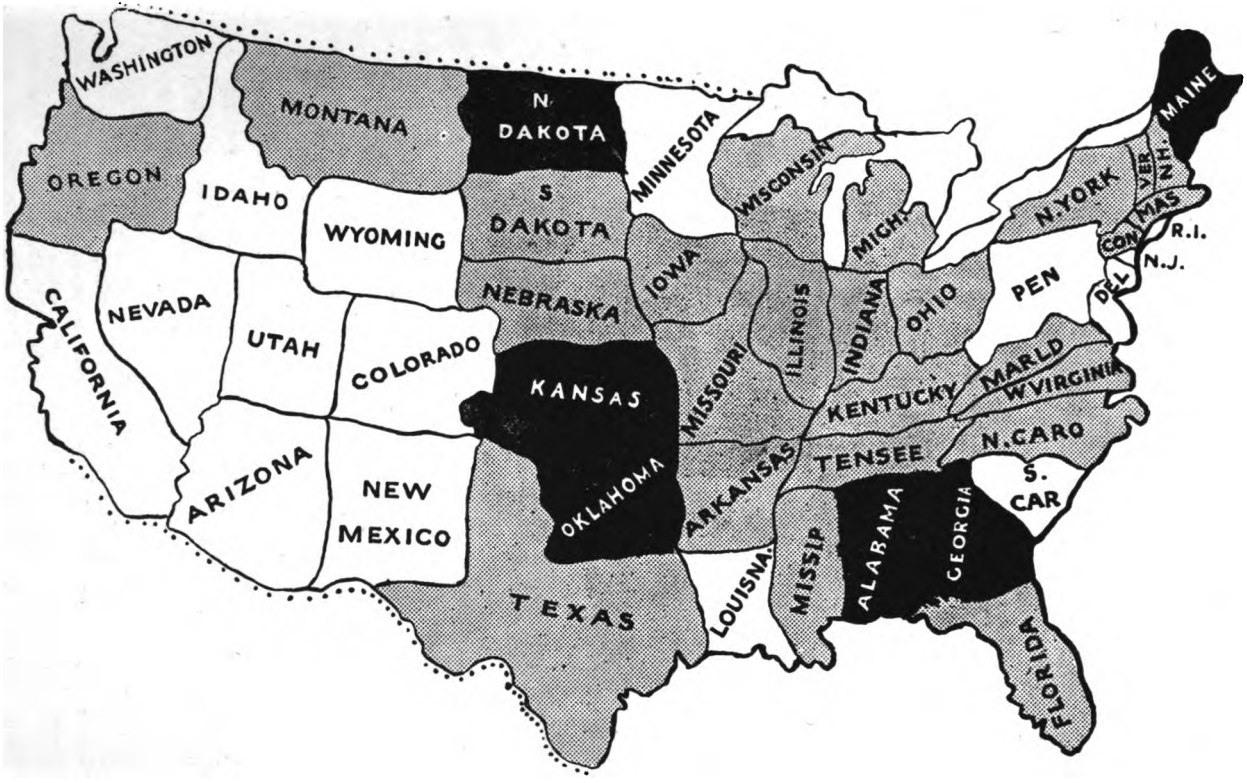

MAP BASED ON FOREIGN OFFICE REPORT OF APRIL, 1907, ON LIQUOR TRAFFIC LEGISLATION IN UNITED STATES.

Local Option States, shaded. Prohibition States, black. License States, white.

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Vice-Consuls. The report summarises its conclusions on Local Option as follows:—

Local Option is now the most widely prevalent system in the United States, embodying, as it does, the thoroughly American principle of decentralisation and delegation of authority. . . . If the aim of liquor legislation is to bring about a diminution of drinking, it may be said that Local Option of all the systems in force effects real prohibition over the largest possible area with the least possible friction.

The report prefers Local Option both to a law of State-prohibition and to the South Carolina dispensary system, which has recently broken down. The report from Georgia, for instance, runs as follows (p. 12):—

Experience would appear to prove that the Local Option plan has worked successfully and effectively. As compared with Prohibition States or with S. Carolina under its dispensary law, the system has caused far less friction and irritation. It is more soothing to the feelings of the people than that of State control, inasmuch as it preserves the principle of local self-government; and it does, perhaps, more than any other to minimise the liquor business, as with the exception of the larger towns of the State with a considerable foreign population, nearly all the counties of Georgia have gone "dry," as voting for Prohibition is called.

In the case of Iowa, a previous Foreign Office report in 1893 declared that Prohibition was a failure. The State of Iowa has been under the so-called Mulct Law of 1894, and the present report makes the following comment:—

The State is to be congratulated on having produced from its period of strife a law in substance Local Option, which has worked well and given satisfaction to the moderates of all parties.

Secondly, Messrs. Rowntree and Sherwell, in their book on the Temperance Problem and Social Reform, may also be quoted in support of the efficacy of Local Option in American experience. Their view of it is expressed as follows:—

That Local Option has justified itself in the particular areas to which it has been applied, is, broadly speaking, incontestable. It has stimulated temperance sentiment and quickened progressive effort, until it has secured the total suppression of the liquor saloon over wide areas; while its influence has been almost wholly free from those demoralising effects which have followed the attempt to impose compulsory prohibition upon the cities of the Prohibition States. Up to the limit of its actual achievement, therefore, the experiment of Local Option in America is to be regarded as a

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decided success. ("The Temperance Problem," 9th Edition, 1901, p. 253.)

These writers, however, unfortunately under-estimate the efficacy of Local Option under urban conditions, which has been shown increasingly in the ten years since their book was published. But their testimony is all the more valuable because they are severe critics of the State-prohibition system, and are apt to depreciate Local Option in the supposed interests of their scheme of disinterested management of the traffic.

Thirdly, I would submit the witness of Professor Barker, Professor of Sociology at Boston University, who throws an interesting light in his book on the saloon problem (1905), on the advance of temperance sentiment in the States, which, in spite of all the alleged failures of restrictive legislation, is at present driving the American liquor trade into consternation. He says (p. 203):—

> The people who do not keep their hand on the pulse of reform are not aware that a great tidal wave of anti-saloon sentiment is sweeping over the country. . . . It is estimated that out of a total population of 27,000,000 of people in the Southern States, more than 17,000,000 are living in Prohibition territory, and throughout the entire country more than 30,000,000 of people are enjoying comparative freedom from the saloon. . . . . All the facts go to show that there is an enormous mass of public opinion and a still greater amount of conviction in favour of abolishing the saloon.

Professor Barker gives details showing in how many localities no-license is carried in the Local Option States, and the wave of which he speaks has swept further forward in the three years since the publication of his book. In the Local Option polls of Massachusetts in 1907 record majorities for no-license were recorded; and in the South a new movement of State-prohibition is in progress. Three States adopted a law of State-prohibition in 1907, Oklahoma (a newly enrolled State of the Union), Georgia, and Alabama joining Maine, Kansas, and N. Dakota. It is sometimes said that this movement in the Southern States is due to fear of crimes or violence by intoxicated negroes. But Dr. Hardman, the Senator who carried the prohibition law of Georgia, denies that the fear of a drunken black

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population is the real cause that is moving the Southern States. The people as a whole, he thinks, were satisfied that the business was injurious to the entire community.

We must, however, for our English purposes sharply distinguish between the working of Local Option and State-prohibition. Is it impossible to expect that our opponents will make an effort to grasp the distinction between the two plans? Not a glimmer of the distinction is suffered by Mr. Pratt to appear in his pages. Indeed, he does not seem to have perceived that for us the American record of Local Option is more important and more striking than the experiments in State-prohibition. The American movement towards State-prohibition has flowed and ebbed at different times. It began with Maine in the fifties, but suffered reaction at the period of the Civil War. Another advance was made in the eighties, when Kansas in 1880 carried an amendment making Prohibition a part of the constitution of the State. The third advance came last year with the Prohibitionist success in Oklahoma. But the practical question for us in England is not whether State-prohibition can be maintained. No one proposes here, in the state of English public opinion, to adopt a method which may hold good in a homogeneous and sparsely-populated territory, but which would be inapplicable to the very varied conditions of densely-populated England. The results of State-prohibition have their interest, but they are only indirectly relevant to the proposal of Local Option.

THE CASE OF MAINE.

The Maine law is of historical interest to us, as it was the starting-point of an English agitation for Temperance legislation. As the best known of American Prohibition experiments, it is certain to be canvassed in our controversies. Yet, when the social conditions of Maine are fully understood, it is not easy to appreciate precisely the bearing of the Maine experience on a proposal for Local

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Option in England. The State of Maine covers an area of 29,895 square miles, a tract as large as Scotland, though a large part of it is still uncleared forest. Over this area there are scattered a population of 694,466 persons (1900), a population no larger than the city of Liverpool. The population consists of a flourishing agricultural population, 95.3 per cent. of whom own their own land, some industrial population which has sprung up in the last twenty years, and there is also a tourist industry grown up of late in some watering-places along the often beautiful coast. Besides the city of Portland (56,130 population in 1905) there were six little towns in the State with over 10,000 inhabitants, and only two of these had over 20,000 inhabitants. Over this territory the Maine law prohibits by one uniform and cast-iron regulation the sale and manufacture (though not the consumption or importation) of liquor in all localities alike within the State. It is easy to see the parallel between the conditions of the Local Option cities of Massachusetts and the state of things that might exist in Lancashire and Yorkshire towns. But inferences from Maine to the United Kingdom appear to need considerable caution. The Maine experience can only be indirectly relevant to the issue before us in England.

For even if we assumed the truth of the very worst that can be stated by any liquor seller of the condition of Portland, the fact remains that that city is not a Local Option city. It could only demonstrate that State-prohibition might prove a failure if the general will of the State were defied by a city, or part of an urban population, which resented the application of the general law to the locality. That is no argument against a system of Local Option, where each locality has the right to settle for itself. It is not therefore for my purpose requisite to go again over the familiar ground of the recent municipal politics of the city of Portland. The case should not be based, either for or against, on any personal impressions of a visitor, who is unable at once to gauge the exceptional state of feeling which has been produced by half a century of a prohibition

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law. There are, however, certain considerations which must be weighed before any judgment can be reached.

First, there is the strangest contradiction between the lurid pictures which are drawn sometimes by visitors to the city of Portland and the steadiness with which the people of Maine have stuck to their State law. The broad fact is that the Maine law has been now in unbroken existence for fifty years, having been passed for the second time in 1858. The explanation of the opponents is that this steadfastness is due to the perfidy and "hypochisy" of the prohibitionists. It is extremely difficult to understand how this hypocrisy is proof against the temptations of a secret ballot. In 1884 the Maine law was embodied in the Constitution of the State. That means that it can now only be repealed by a two-thirds majority of both branches of the legislature, and thereafter by the opponents of the law carrying a *plébiscite* of all the voters in the State against the measure. The majority for the embodiment of the law in the Constitution was 46,972, a vote of about three to one. It is still more remarkable to find that out of the total of 493 towns and small local government areas in the State all but fourteen recorded a majority in favour of prohibition. Portland itself voted for prohibition by a majority of 861, or, if a district since incorporated is included, by a majority of 1,334. All the towns of Maine, who are supposed to be "coerced," voted in favour of the law, with the exception of Lewiston, where a hostile majority of 365 was recorded. Excluding Lewiston, the adverse majority in the remaining thirteen small country districts totalled up to 242. This certainly did not betray any striking eagerness to escape from the alleged "coercion" on the occasion of a vote which would make it extremely difficult to secure any other opportunity of recording a direct opinion on the question. It is sometimes said that the explanation of the steadiness of Maine's stand is due to the strength of feeling among the prohibitionist farmers, who, satisfied with the undisputed success of the law in the country districts, insist on imposing it on the

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towns. But the total employed in agriculture in the State is shown by the census to be only 27·8 per cent. of the State, while 31·8 are engaged in manufactures, with an additional 15·6 per cent. in trade and transportation. How do the agriculturists succeed in over-riding at the biennial State elections the opinion of the remaining three-fourths of the State?

Again for the Local Optionist, it is worthy of note that the opponents of prohibition in Maine do not wish to go back merely to a license system. Their plan is Local Option joined with high license. This, to the strict prohibitionist, would be a step down; it would be a decided step up for England. States like Massachusetts or Vermont have, it is true, tried State-prohibition and abandoned it. But both fell back on the Local Option system. In Vermont, which abandoned State-prohibition by the narrow majority of 1,000 in 1902, there are 243 local government areas in the State.

In 1903	only	92	of these areas	voted for	a license system.
In 1904	,,	40	,,	,,	,,
In 1905	,,	34	,,	,,	,,
In 1906	,,	29	,,	,,	,,

In Massachusetts in 1906 fifteen cities out of thirty-three and 249 out of 321 "towns," or rural local government areas, were under no-license through its Local Option system. The reversal of State-prohibition almost invariably involves the adoption of Local Option.

Thirdly, it is not to be forgotten that all the neighbours of Maine, both in Canada and the United States, are now Local Option communities. In New Brunswick and the maritime provinces the Scott Act admits of biennial polls on the liquor question. In Quebec prohibitory bye-laws can be voted on at biennial periods. In Massachusetts and Vermont the polls are annual; and in New Hampshire the voting on the license question is quadrennial in the cities and biennial in the country districts. If Prohibition is the complete failure which is sometimes alleged, how is it possible to explain the perverse and wilful blindness with

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which Maine itself and every one of its neighbours cling to a principle so vicious that a mere visitor can see through it at once? Obviously there must be some further explanation of the facts which the critics may be well invited to supply.

My own belief is that the difficulties which have recently attended the problem of enforcement in Portland are really due to a defect of the State-prohibition system which is remedied on the Local Option plan. The State-prohibition law is an enactment covering not merely the whole area of the State, but also all future time. Under Local Option there are periodical opportunities for testing and registering public opinion. If the Local Option law fails to educate and carry with it the rising generation, or if population shifts and changes, Local Option allows of a fresh adaptation to the current view of the community. In some cases fresh polls have to be taken compulsorily, at annual intervals as in Massachusetts, or at triennial periods as in New Zealand. Thus the Local Option plan has a more flexible adaptation to the opinion of the time. The State-prohibition law of Maine was adopted finally in 1858, and placed under the safeguard of the Constitution in 1884 as a law of the Medes and Persians which altereth not. Meanwhile the amazing immigration of aliens into the United States has complicated the problem. Out of a population of 700,000, there were at the last census 93,924 foreign-born persons in the State, and of these 53,938 have entered in the last twenty years. In Portland itself 10,435 persons, or one-fifth of the city's population, are foreign-born; and out of 10,159 Irish in the State, there are over 3,000 in Portland itself. Much of the old New England population has moved westwards, and these new Uitlanders who have filled their places come from drinking European countries with lax licensing laws. They have never asked for State-prohibition, neither they nor their fathers. They have never had the chance of voting on the question. The really astonishing thing is that the law has

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stood firm against this inroad. It is true that the Local Option law of Massachusetts has withstood a still more formidable invasion of foreigners. But there the recurrent Local Option pólls educate the new-comers and carry conviction with them. The Irish, for instance, in the Irish quarters of Cambridge or Waltham, in Massachusetts, accept and support the no-license policy of those cities. Their priests are often leaders of the no-license campaigns; and the Irish quarters in those cities are a revelation of the change which a policy of no-license might bring to a race which, thanks in part to bad liquor laws, has been as drink-cursed as any people in the past.

To sum up, then, this American experience, the most striking point is the extent to which in the United States the idea of a partition of territory between the no-license system and the licensed system has been accepted. So far from regarding the licensed sale of liquor as indispensable, the American view is that it can essentially be dispensed with. The residential district, whether of the working or richer classes, can be very well safeguarded against the sale. In the cities the liquor traders themselves, provided that they can retain the central portion of the city to serve as a bar-room, do not demand facilities of sale in outlying or suburban tracts. The Americans have arrived at the conception that the land can be at all events very well parted between the licensing system and the policy of no-license. The legislative realisation of that idea is the next stage forward of Temperance Reform in the United Kingdom.

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APPENDIX I.—A CITY WITHOUT SALOONS.

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APPENDIX I.

APPENDED is the reprint of an article written by a resident in Cambridge, Massachusetts, giving a sketch of the No-License movement in that city and its results.

A CITY WITHOUT SALOONS.

How Cambridge, Massachusetts, a City of 100,000 People, Voted the Saloons Out, and has Kept Them Out for Nineteen Years.

How the Thing Was Brought About and How it Has Worked.

BY FRANK FOXCROFT,

FOR TWENTY YEARS A MEMBER OF THE THEN LICENSE COMMITTEE OF CAMBRIDGE AND FIFTEEN YEARS ITS CHAIRMAN.

METHODS.

UNIQUE RECORD.

The city of Cambridge, Massachusetts, holds a unique position, as the only city of its size in the world which, by the vote of its citizens, has rid itself of saloons, and for a long period of years has kept them out. Cambridge, which is now a city of about 100,000 people, voted for no-license first, December, 1886, and has continued to vote for that policy without an interruption and by heavily increased majorities ever since. If the system had not worked well, if it had not promoted the material as well as the moral interests of the city, it would have been impossible to maintain it, year after year, against the combined assaults of the allied liquor trades. During the early years of no-license, Cambridge was almost like a city under siege, so persistent were the efforts of the liquor interests to regain their lost ground, and so large and lavish

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the campaign funds poured in from outside for the aid of the local representatives of the trade, when the time of taking the annual vote came around. Moreover, under the Massachusetts high-license law, which does not permit the granting of a saloon license for less than one thousand dollars, and permits the fixing of any higher rate by the local authorities, the temptation to license saloons for the sake of the revenue to be derived from them is strong. But long ago the outside liquor interests refused to make any contributions for the carrying of Cambridge for license; and no one for years has used seriously in Cambridge the "revenue argument" in favour of license.

An Object Lesson.

So extraordinary a condition of affairs makes it profitable to examine the methods by which these results have been reached, and to study somewhat in detail the results themselves. This is especially the case in any community in which an issue similar to that which has been settled in Cambridge is presented for determination by the vote of its citizens. Leaving moral considerations for the moment out of account, does the no-license policy pay? What are the results which may reasonably be expected from its adoption and retention by any town or city?

Cambridge is a residential city, a suburb of Boston. It is the seat of Harvard University, with more than four thousand students, and of other educational institutions. But it is something more. It is one of the largest manufacturing cities of Massachusetts, more than half of whose population is of foreign birth or parentage. It has large industrial establishments—pork-packing concerns, piano factories, iron foundries, brickyards, furniture factories, tanneries, &c. It is, moreover, made up of four well-defined communities—Old Cambridge, North Cambridge, Cambridgeport and East Cambridge, each with its separate interests and in many respects like a separate city, and not easily brought together for any common effort.

Defeated but Never Discouraged.

The local-option system went into effect in Massachusetts in 1881. Under its operation, Cambridge voted for five years in favour of license. In 1884, the majority in favour of license was more than 1,100. But in 1885 this majority was reduced to 530, which was ominous of growing discontent with the conditions then existing. There was reason enough for this discontent. The liquor interests were arrogant, they controlled nominations to city offices and owned their men after they had helped to elect them.

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Aroused by Arrogance and Crime.

The licensing authority was vested in the board of aldermen, and on nights when saloon questions were to be taken up, the saloon lobby was so much in evidence at City Hall that few reputable citizens cared to make their way through the throng of saloon keepers. On one occasion, an alderman who had ventured to vote for a slight increase of license fees was called out into the corridor by a saloon keeper and publicly berated for his vote and sent back to change it, which he did. The aldermen disregarded all local protests in the locating of saloons; and they aroused great indignation by licensing a saloon in one of the oldest residential streets, under the very eaves of the University. Then there were two saloon murders. In a fashionable saloon on Main Street, directly opposite the building of the Young Men's Christian Association, a young man was killed without provocation by a man who was crazed by drink. In East Cambridge, one Sunday morning, a saloon keeper beat a man to death on the street in front of his place of business. These things aroused public sentiment.

Reform Forces Marshalling.

There has been for some years a volunteer committee which had kept up some sort of no-license organisation, and had kept the elections from going altogether by default. But in the fall of 1886, a call was issued for a delegate convention of churches and temperance organisations. This convention appointed a Citizens' No-license Committee, with an equal representation from each ward. That was the origin and the nucleus of the simple organisation which has been effective in all the campaigns since that date. The committee started the publication of a campaign paper, called "The Frozen Truth," which has been published every year since. The paper adopted a serious and confident, yet sometimes jocular, tone; confined itself to the one local issue; and told the truth with great plainness of speech, and with courage, but with entire good humour.

FIRST VICTORY.

Systematic and Thorough Work.

It printed the names of the saloon keepers and of their bondsmen, thus bringing to light certain affiliations which had not before been publicly known. It printed a map showing the location of saloons with reference to the public schools, and asked parents how they liked the course of the aldermen in planting saloons so thick in the path of their children. The paper was sent to every name on the voting list, and it stirred

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the community by its fearless but careful and accurate presentation of local facts. The Citizens' Committee organised a partial canvass of the voters; a co-operating committee of ministers planned rallies and union services in the churches; and on election day the polls were provided with checkers, workers and carriages. The day dawned upon a blizzard of large proportions; the snow fell all day and drifted as it fell; and victory seemed impossible under such conditions. But when the vote was counted, it was found that four of the five wards had been carried against the saloons, and that the "No" majority was 566.

Holding Their Ground.

Up to that point, the situation was not greatly different from that which had been witnessed in some other cities of considerable size. There had been a revolt of public sentiment against the saloons, and it had polled a vote heavy enough to prevent the granting of licenses for the year beginning the first of May following. The saloon keepers made up their minds to "sit tight." Many of them kept their place open under the pretence of selling non-alcoholic drinks. They looked forward confidently to success at the polls the next December. But what made the situation in Cambridge different from what it had been in Lowell and Worcester after a vote against the saloons, was that in Cambridge the leaders of the movement realised that the fight was not over, but that it had only just begun. Immediately after the election, they took steps with a view to holding what they had gained. They visited the mayor, who, although a license man, had promised a honest enforcement of the law, and pledged him their support. They organised at once a Law Enforcement Association, which did not undertake to collect evidence and prosecute offenders, but which offered itself as a means of communication between the people and the police, engaging to sift information which was brought to its attention, and to communicate ascertained facts to the police. It published a little paper semi-occasionally, called "The Bulletin," through which it let the people know what was being done and by whom. The organisation was administered conservatively, but as it was composed of more than a thousand voters, it constituted a useful influence on the side of the enforcement of the law. Ordinarily, there is a strong pressure on the officials, under such conditions, on the side of how-not-to-do-it. The aim of the association was to apply pressure on the side of how-to-do-it, and to make it clear to the official conscience that it was safer to enforce the law than it was not to enforce it. Although the association remained in active existence only a few years, the necessity for it being soon over, its influence is still felt, and although

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there have been at least eight mayors and three chiefs of police during the no-license period, there never has been any trifling with the law. It has been, on the whole, steadily and sincerely enforced.

Battle Renewed.

It was clear that the real battle would come the next December. The saloon keepers were determined and were well supplied with funds. There were almost unlimited outside resources upon which they could draw. The Citizens' No-license Committee carried on a strong campaign. It opened headquarters and employed canvassers and clerks. It instituted a house-to-house canvass of voters. It distributed two numbers of its campaign paper. It naturalised voters and attended to every detail of registration. It held rallies and union services. It made a campaign which won the admiration of political veterans, although it was conducted wholly on non-political lines. When election day came, the liquor question overshadowed all others. The vote polled was nearly three thousand larger than it had been at the preceding election; and, when it was counted, it was found that this large increase had been divided in exactly equal parts and the majority for no-license was exactly the same as in 1886. This defeat took the heart out of the liquor interests.

Besieged but Never Beaten.

But the fight went on from year to year. Some of the campaigns were close and exciting, and at some elections the no-license majority fell perilously low, but the tendency was pretty steadily upward. The following table shows the vote each year from 1881 to 1904 inclusive:—

—	"Yes."	"No."	"Yes" majority.	"No" Majority.
1881	2,614	2,608	6	—
1882	2,772	2,379	393	—
1883	3,116	2,522	594	—
1884	3,659	2,522	1,137	—
1885	2,764	2,234	530	—
1886	2,344	2,910	—	566
1887	3,727	4,293	—	566

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—	"Yes."	"No."	"Yes" majority.	"No" majority.
1888	3,819	4,483	—	664
1889	3,300	3,793	—	403
1890	3,611	4,180	—	569
1891	3,565	4,051	—	486
1892	4,763	5,606	—	843
1893	4,539	5,329	—	790
1894	4,500	5,099	—	599
1895	4,160	5,663	—	1,503
1896	3,872	5,753	—	1,881
1897	3,547	5,143	—	1,596
1898	3,223	4,973	—	1,750
1899	4,345	5,509	—	1,165
1900	4,214	6,552	—	2,338
1901	3,931	6,048	—	2,117
1902	4,480	8,430	—	3,950
1903	4,791	9,135	—	4,344
1904	4,913	8,405	—	3,492
1905	4,531	8,349	—	3,818

These majorities certainly point to a pretty general popular content with the results of the system. There have been fluctuations, due to various causes, but since the 1,000 majority mark was passed in 1895, the margin never has fallen below that figure, and in later years has been much above it. It should be said that one of the most important incidental results of the no-license campaigns has been the drawing together of people of all creeds and politics.

The Secret of Success.

The issue has been kept a thing by itself. It has not been entangled with any question of local or general politics or the

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fortunes of any candidate. During twenty years' service on the Citizen's No-license Committee, fifteen years as its chairman, the writer never has heard any political differences discussed at one of its meetings, although men of all politics were included among its members. Religiously, about one-third of the members of the committee are Catholics, and the others are assorted kinds of Protestants, but religious differences are tabooed. Every year, Catholic and Protestant clergymen join in a signed appeal to the people for no-license; at public rallies they speak from the same platform; and on election nights Protestant and Catholic church bells ring in unison to announce the victory.

RESULTS.

The Saloon Vanishes.

So much as to methods. Now as to results. First of all, the open saloon has wholly disappeared. There were 122 of them in the old days; but the places in which they were have been taken up for other business purposes or have been remodelled into dwellings. If the saloons were ever to come back, they would have to find new locations, for the old places are devoted to other uses. One may walk through Cambridge from end to end, including the sections where saloons were once thickest, without coming upon any trace of an open liquor traffic. There is, of course, some illegal sale. There are some "kitchen bar rooms"; there are some unscrupulous druggists who sell illegally; and there are other loopholes in the law; but the traffic has been driven out of sight. It has been reduced to a minimum. And for those who try to carry it on, it has been made more and more difficult and dangerous. Fine and imprisonment are visited upon offenders convicted in the courts, and most of the old dealers long ago concluded that the game was not worth the candle, and left the city to engage in business elsewhere. The old motto of the no-license leaders, "Keep the city clean," has been vindicated: the city has been made clean and kept so, to a remarkable extent.

A Happy Holiday.

Some years ago, the city celebrated the fiftieth anniversary of its incorporation. There was the usual procession of trades and industries, and marshalling of thousands of school children, and all the familiar features of such demonstrations; but the most remarkable thing about the celebration was the spectacle of a city of more than ninety thousand people making holiday, and from beginning to end not a drunken man anywhere in sight. The chief of police, who rode at the head of

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the procession, reported afterwards that he had seen no one who was under the influence of liquor. There were only six arrests for drunkenness during the twenty-four hours, and they were late at night, of people coming over the bridges from Boston.

Material Prosperity.

The effect of no-license upon the material interests of the city may be traced in various ways. The city was for five years under license under a general law before it placed itself under license for five years more by the vote of its citizens. There is, therefore, a consecutive period of ten license years, which may be conveniently compared with the next fifteen years under no-license.

Applying first the test of population, the official figures show that from 1875 to 1885, the population of Cambridge increased from 47,883 to 59,655, a gain of 11,772 during ten license years, or an average of 1,177 per year. In 1900, the population was 91,886, or an average annual increase of 2,142, or almost double the increase during the license period. So as to new houses. In 1876 there were, according to the assessor's books, 7,882 houses in Cambridge. In 1886 there were 9,398, an increase of 1,516 during the ten license years, or an annual average increase of 151.6. In 1901, there were 13,846 houses, or a gain of 4,448 over 1886, making an average annual gain of over 296, which is almost twice the gain under license.

Saloon Revenue Quadrupled by Taxes on Increased Values.

But the gain in the assessed valuation of the city is in some respects the most astonishing of all. In 1876, the valuation of Cambridge was $62,636,453. In 1886, after ten years of licensed saloons, during which the city had been taking revenue from the traffic, the valuation had dropped to $59,445,670, an actual shrinkage of $3,190,783. In 1901, the valuation of the city was $96,216,875, showing the enormous increase of $36,771,205 during fifteen years of no-license, an average annual gain of $2,451,413 as compared with an average annual loss of $319,078 during the license years. At the present time the city is deriving from four to five times as much revenue from the increase in its valuation fairly attributable to the no-license policy as it could get from license fees, if it were to go back to license.

As has already been remarked, the revenue argument for license is never heard in Cambridge. The revenue argument is all the other way.

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Savings Banks Deposits.

Applying the test of savings bank deposits, we reach similar results. During the ten years of tempting drinking places, the deposits in the five Cambridge savings banks increased from $4,907,597.36, in 1876, to $6,560,934.90 in 1886, an average gain of $165,333.75 per year. In 1901 the amount in these five banks was $13,246,147.38, a gain of $6,685,212.48 in fifteen years, or $445,680.83 per year. Here we see an average annual gain of nearly three times that during the corresponding period of license.

An analysis of the savings bank returns shows that most of the gain was in small deposits, and it was heaviest in East Cambridge, where the working population is most concentrated. The meaning is plain. The earnings of the poor which used to go so largely to the saloons are now being laid aside, so far as they may be spared from ordinary daily demands, for a rainy day. The increase in the general prosperity is attested also by the statistics of school attendance. The children of the poor are kept in the schools longer than used to be possible, and are given proportionately a better start in life. In 1886, at the end of the license period, there were only 516 pupils in the high schools of the city; after fifteen years of no-license, there were 1,275. Who can estimate what this difference means to the future of these hundreds of school children?

Effects on Local Trade.

There was one point regarding which the advocates of no-license themselves felt, at the outset, some solicitude. That was the question how local trade would be affected. It was argued with some plausibility that people who wanted to buy liquor would go into Boston for it, and that at the same time they would buy there their groceries, dry goods and other domestic supplies. If the absence of saloons would ever work injuriously to retail business interests it should be in a place situated like Cambridge, separated from all the shops of Boston only by a bridge, and with street-car communication frequent, easy and cheap. But the fears entertained on this ground proved to be baseless. Some people, of course, found their way into Boston after liquor; but it did not appear that they bought much else there. Most of them did their buying in Cambridge, and they had all the more money for it by reason of saving that which used to go to the saloons. In 1894 this question was directly raised by intimations which came from outside liquor interests, which were then fighting hard to regain the city, that no-license had hurt local trade and that local business men were opposed to it. The no-license committee promptly made a canvass of the business men in all

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parts of the city and in all lines of trade. As a result, 266 business men signed a statement declaring: "The undersigned, business men of Cambridge, believe that the no-license policy has promoted the material interests of the city and they hope for its continuance." The only exception that was found on the canvass was that of a baker, who insisted that his business had been hurt by no-license, and on being questioned for particulars said that many people who used to buy their bread of him were now buying flour by the barrel. The committee appreciated the grievance of the baker, but they concluded that his testimony did not impair the general evidence in favour of no-license. Just before the election there were posted placards over the city by agents of the liquor interest, signed by alleged business men who called for a return to license in the interest of local trade. But an investigation showed that, out of the fifty alleged signers, all but eighteen were wholly fictitious, not appearing in the Cambridge directory, and of those who were discoverable in the directory only a few could be fairly described as business men. Thus the so-called "business men's campaign for License" ended amid general hilarity, except among the Boston liquor dealers who paid the bills.

There is an immense accumulation of personal testimony to the benefits derived from no-license. Thirty-three of the leading physicians in Cambridge have signed the following statement:—

PHYSICIANS' TESTIMONY.

"The undersigned, physicians practising in Cambridge, bear testimony from our observation to the improved condition of the city since the saloons have been closed. The streets are more quiet and freer from intoxicated persons; and so far as our practice leads us to those quarters of the city where the saloons did most harm, we find much less evidence of the abuse of liquor and an improved moral tone." Seventy-one large employers of labour, manufacturers and others, signed the following:—

EMPLOYERS OF LABOUR.

"The undersigned, employers of labour in the city of Cambridge, bear testimony to the increased efficiency, regularity and promptness of employees since the closing of the open saloons in Cambridge." The attitude of large manufacturers has been clearly shown by their readiness to allow the use of their shops and factories, sometimes in working hours, for no-license rallies prior to the city elections. These factory meetings, which were organised and carried on for some years

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under the management chiefly of the late Father Mundy, an indefatigable no-license leader, have been among the most characteristic features of the Cambridge campaigns. It is an impressive sight to see hundreds of workmen pausing in the midst of their work to listen to no-license arguments.

Catholic Priests.

Testimony from Catholic priests, whose pastoral work carries them among the homes of the poor, is of value at this point. In a published letter, the late Father Scully, pastor of St. Mary's Annunciation Church in Cambridgeport, and the leader to whom more than to any other one man the city owes its deliverance from the saloons, presented a comparative statement showing that the South Boston Catholic churches spend annually for the support of the poor nearly three times as much money as is needed for the same purpose by the Cambridge parishes. He added this bit of personal testimony:—

"The sick call register of my parish tells the important fact that the sick list has decreased more than one-half since the introduction of the 'no-license' system. In this connection it is very noticeable that now the sick have far better chances of recovery than before, by reason of the absence from the sick room of a discordant crowd of boozy, stupid women of the 'can racket' class, wonderfully devoted to sipping, sitting and sleeping. 'Can racket' nights were especially uncomfortable for the priests. The night sick calls were frequent, and generally in tune with the disorder, improvidence, intemperance, and domestic slovenliness. There is nothing like that now. Rum has gone, and those miseries with it. Seldom are we now called out of our beds, and when we are it is always proper and necessary, making hard duty a real pleasure."

The late Rev. John Flatley, pastor of St. Peter's Church, in North Cambridge, wrote in similar vein:—

"The benefits of no-license are perceptible. There is less drinking and more thrift and self-respect. I cannot but emphasise the blessing of closed bar-rooms. Let them for ever remain suppressed. I will vote, as I always have voted, for no-license, and from what I know of the sentiment of my people, they will do the same."

The testimony of the Rev. John O'Brien, pastor of the Church of the Sacred Heart in East Cambridge, is of peculiar value for two reasons: in the first place, because his great parish is in the section of the city where the largest industries are located, and, in the second place, because, although concerned in the moral aspects of the temperance question and thoroughly alive to the public welfare, it was not until after some years of no-license that he became convinced of the

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efficacy of the system and a warm advocate of its continuance. In December, 1904, Father O'Brien wrote:—

"I would say that no-license has been a great success in Cambridge. It removes temptation from the path of the young; it saves our innocent children from the demoralising and often shameful scenes of the open bar-room. Profoundly conscious of my responsibility to God for the advice I offer in this matter, with a firm conviction that the interests of religion, morality and good citizenship are involved, I say to all who may hear my voice, 'Vote no-license.'"

Large Manufacturing Companies.

The recent testimony of some of the large business concerns of the city deserves attention. In November, 1904, the President of the University Press wrote:—

"Cambridge, 29th November, 1904.

T. H. Raymond, Esq., Chairman,
Citizens' No-license Committee,

Dear Sir,—Responding to your inquiry as to our views regarding the influence of no-license on the manufacturing establishments of this city, we beg to say that the University Press is a working community of several hundred people, and that we believe ourselves to be unanimous in our appreciation of the benefits of no-license in Cambridge, and in a desire to see a continuance of the policy.

Yours cordially,
Henry White, President."

December, 1, 1904, Edward Kendall and Sons, of the Charles River Iron Works, wrote:—

"Cambridgeport, Mass., Dec. 1, 1904.

Mr. T. H. Raymond, Cambridge, Mass.

Dear Sir,—The continuance of the no-license policy has proved of great benefit to this section of the city. The workmen are regular in their attendance, and no time is lost on account of drunkenness. They do more and better work now, and the wages which would be spent for drink under the old conditions now go to their families.

Yours very truly,
Edward Kendall & Sons."

November 29, 1904, the George F. Blake Manufacturing Co., makers of pumping machinery, and one of the largest employers of labour in Cambridge, wrote:—

"East Cambridge, Mass., Nov. 29, 1904.

Mr. T. H. Raymond, Chairman, Citizens' No-license Committee.

Dear Sir,—We are in receipt of your favour of November 23,

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requesting the expression of our opinion with reference to the benefits of the present no-license policy in this city, and, in reply, we wish to say that we certainly do not wish to see any change from a no-license to a license policy. We can say frankly that, if there should be a change to license here, we should feel like moving out of the city. We strictly advocate a no-license city, and consider it a great benefit, not only for ourselves, but the rest of the city.

With reference to the number of men employed here, would say that there are from 1,600 to 1,700.

Trusting that you will be able to influence public sentiment so that it will be in favour of no-license, we remain,

Yours respectfully,

THE GEO. F. BLAKE MFG. CO.,
George de Laval, Gen'l Mgr.
Per W. S. Tisdale."

SMALLER POLICE FORCE REQUIRED.

The testimony of the chief of police and of all the police captains is unanimous as to the diminution of drunkenness and of crimes of violence under no-license. In December, 1903, Mr. Cunningham, then chief of police, said:—

"You may quote me as saying that I am not only pledged as an official to enforce the law, but have been unreservedly in favour of no-license for Cambridge, as a citizen, both before and since I came into my present position. Nothing is more certain than the fact that no-license makes the work of the police department less difficult than it would be under a license *régime*, and that fewer men are required for the preservation of order and enforcement of the laws."

Captain McBride, of District Three, said:—

"I do not think there is a kitchen bar-room in the district. There are places that we suspect and watch, but they take good care not to become places of common resort, and evidence that would warrant us in making raids is hard to obtain. It is surprising, considering the size of Cambridge, that the city is so free from illegal liquor-selling; but I think this is due to the fact that it has never been allowed to get beyond control since no-license was adopted."

Similar testimony might be cited from Chief of Police Cloyes, who preceded Mr. Cunningham, and from Chief Pullen, who has followed him; and from captains and other officers of police past and present. All agree as to the improved conditions of the city and the falling off of crime. They agree also that three-fourths of such arrests for drunkenness as are made are made on the bridges or street cars, of persons who obtained their liquor in Boston.

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His Honour the Mayor.

It is useless further to multiply witnesses when the testimony is all one way. But it is worth while to quote the emphatic words of Mayor Daly, written in February, 1905:—

"Mayor's Office, City Hall, Cambridge, Feb. 11, 1905.
My Dear Mr. Foxcroft,

I take pleasure in giving my testimony to the improved condition of Cambridge under no-license, and, as I believe, largely in consequence of it. I can conceive of no circumstances under which the city would be likely to revert to the days of open saloons. The material and moral interests of the city have been promoted by the establishment of no-license, and all the population shares in the advantages derived from it. None have profited more than the wage-earners.

Very sincerely yours,
Augustine J. Daly."

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APPENDIX II.

NO-LICENSE PARISHES IN RURAL DISTRICTS ENGLAND AND WALES.

THE following gives a question asked by Mr. Leif. Jones, M.P., in the House of Commons on August 26, 1907, and the official answer of the Home Secretary thereto.

Q.—Mr. Leif. Jones: To ask the Secretary of State for the Home Department, if he will state for England and Wales as a whole, and for each English and Welsh county, the number of civil parishes situated in rural districts, and the total population of such civil parishes in each area; and if he will state for England and Wales as a whole and for each English and Welsh county, the total number of such parishes which are situated in rural districts and have no on-licenses for the sale of intoxicating liquors therein, together with the population in each such area for such total number of parishes.

A.—Mr. Secretary Gladstone: As regards the first part of the Question, the figures as given in the Local Government Board Statement of the 1st April, 1904, and the Census Return of 1901, are, for the whole of England and Wales: Number of civil parishes in rural districts, 12,995; total population, 7,469,488.

As regards the second part of the Question, the totals compiled from the Return which I obtained from the various police forces and furnished to my honourable friend on the 14th instant are, for the whole of England and Wales: Numbers of civil parishes in rural districts with no on-licenses, 3,903; population, 575,219.

The figures for each English and Welsh county separately are given in the appended Table:—

County.	(a) No. of Civil Parishes in Rural Districts (on 1st April, 1904).	(b) Total Population of Rural Districts (Census, 1901).	(c) No. of Civil Parishes in Rural Districts with no "On" Licenses in 1869 and 1907.		(d) Total Population of Civil Parishes with no "On" Licenses (Census, 1901).
ENGLAND.			1869.	1907.	
Bedford	127	76,645	(11)	11	1,061
Berks...	183	125,578	(12)	29	4,883
Bucks	216	130,030	(36)	50	6,175
Cambridge	129	72,294	(8)	13	1,545
Isle of Ely ...	30	30,766	—	1	18

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County.	(a) No. of Civil Parishes in Rural Districts (on 1st April, 1904).	(b) Total Population of Rural Districts (Census, 1901).	(c) No. of Civil Parishes in Rural Districts with no "On" Licenses in 1869 and 1907.		(d) Total Population of Civil Parishes with no "On" Licenses (Census, 1901).
			1869.	1907.	
ENGLAND—*cont.*					
Chester	406	169,809	—	184	28,835
Cornwall	200	192,003	(26)	49	11,853
Cumberland	188	100,922	—	40	5,528
Derby	276	255,014	(21)	46	6,586
Devon	414	223,094	(26)	115	24,002
Dorset	271	101,657	(108)	111	17,058
Durham	227	333,102	—	56	12,403
Essex...	360	240,776	(35)	43	6,181
Gloucester	342	229,700	(83)	112	21,740
Hereford	244	76,748	(97)	121	19,624
Hertford	134	103,273	(1)	9	740
Huntingdon	95	36,234	(10)	15	1,309
Kent	362	302,906	(37)	52	5,628
Lancaster	276	232,472	—	40	6,860
Leicester	309	137,502	(79)	102	8,824
Lincoln	695	238,893	(120)	319	43,628
Middlesex	25	51,165	---	—	—
Monmouth	132	46,397	(27)	44	5,661
Norfolk	681	258,071	(127)	183	22,298
Northampton ...	291	121,070	(58)	71	8,488
Soke of Peterboro'	29	10,250	—	10	1,354
Northumberland ...	471	124,763	—	342	36,777

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County.	(a) No. of Civil Parishes in Rural Districts (on 1st April, 1904).	(b) Total Population of Rural Districts (Census, 1901).	(c) No. of Civil Parishes in Rural Districts with no "On" Licenses in 1869 and 1907.		(d) Total Population of Civil Parishes with no "On" Licenses (Census, 1901).
ENGLAND—*cont.*			1869.	1907.	
Nottingham	247	118,721	(52)	82	11,189
Oxford	272	95,748	(10)	75	8,104
Rutland	8	19,709	(14)	21	1,858
Salop	235	135,878	(63)	88	15,067
Somerset	469	245,829	(13)	128	18,392
Southampton ...	311	197,352	(60)	81	12,603
Isle of Wight ...	30	28,559	—	4	450
Stafford	217	232,209	(25)	49	9,498
Suffolk, East ...	311	123,639	(6)	77	12,272
„ West ...	168	73,419	—	33	5,164
Surrey	104	189,291	(7)	10	3,429
Sussex, East	131	116,708	(13)	23	3,688
„ West ...	155	86,365	—	41	4,676
Warwick	246	144,759	(41)	83	10,849
Westmoreland ...	105	38,446	—	35	6,179
Wilts	310	158,763	(58)	69	12,256
Worcester	206	161,360	(39)	59	9,001
York, East Riding ...	324	91,687	—	132	16,785
„ North „ ...	508	133,832	—	202	21,088
„ West „ ...	512	339,963	—	162	26,916
Total	12,032	6,753,371	(1,323)	3,622	518,523

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County.	(a) No. of Civil Parishes in Rural Districts (on 1st April, 1904).	(b) Total Population of Rural Districts (Census, 1901).	(c) No. of Civil Parishes in Rural Districts with no "On" Licenses in 1869 and 1907.		(d) Total Population of Civil Parishes with no "On" Licenses (Census, 1901).
Wales.			1869.	1907.	
Anglesey	72	34,750	(32)	41	10,272
Brecon	86	38,020	(3)	37	5,068
Cardigan	95	45,267	(14)	36	9,379
Carmarthen	79	92,803	—	9	1,239
Carnarvon	64	68,262	(15)	19	4,918
Denbigh	92	90,815	(9)	16	1,766
Flint	41	51,035	—	5	1,890
Glamorgan	133	162,003	(16)	33	4,567
Merioneth	33	26,581	(14)	7	3,778
Montgomery... ...	59	34,806	(8)	8	3,302
Pembroke	150	53,705	(42)	47	7,461
Radnor	59	18,070	—	23	3,056
Total	963	716,117	(153)	281	56,696
Grand Total ...	12,995	7,469,488	(1,476)	3,903	575,219

Note.—I have added in the third column figures in parentheses showing the number of no-license parishes in each county according to the Report of the Convocation of Canterbury of 1869 (see above p. 112). Figures for the northern counties were not collected in that year.

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